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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

OCTOBER 1984

SEPTEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
Sep. '84	8.8
Aug. '84	8.8
Sep. '83	10.3
U.S.	
Sep. '84	7.4
Aug. '84	7.5
Sep. '83	9.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Sep. 1984:	105.9
Aug. 1984:	106.1
July 1984:	105.7
June 1984:	105.5
May 1984:	105.9

DIFFUSION INDEX

Oregon	
Sep. 1984:	53.5
Aug. 1984:	55.8
July 1984:	51.9
June 1984:	53.9
May 1984:	57.0

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Aug. 1984:	38.7
July 1984:	38.7
Aug. 1983:	39.4

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA	
Sept. 1984	302.5
Yearly Change	+ 3.1%
U.S.	
Sept. 1984	314.5
Yearly Change	+ 4.2%
Portland Hotline	221-4132

MONTHLY ECONOMIC ANALYSIS

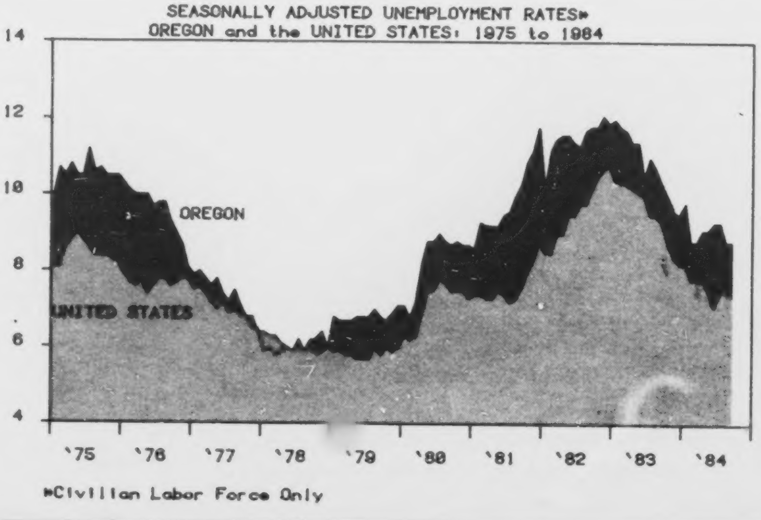
Mike Staten

September's economic indicators showed a departure from the direction set in August. Oregon's wage and salary employment index dipped 0.2 to 105.9 in September, and now stands only .4 of a percentage point above the January low of 105.5. While an increase occurred between September 1983 and September 1984, the increase was only 2.7, not a strong gain in terms of where Oregon's economy needs to go.

The nation's seasonally adjusted unemployment rate has generally been declining throughout 1984. Oregon's rate climbed during the spring, then receded to last February's level of 8.8% in August, and remained unchanged in September. September's stable unemployment rate and only slight loss in the wage and salary employment index maintained the gains made in August and showed that the economic recovery was continuing to "inch" its way through Oregon.

The Oregon diffusion index, a leading economic indicator, dropped 2.3 points between August and September to its second lowest position since February 1983. In spite of this, however, the index remained above the growth threshold of 50.0. The index has fallen fairly consistently since March, but still supports the conclusion that Oregon's economy is continuing to experience growth, but at a slower rate than earlier in the year.

Both total employment and nonfarm wage and salary employment rose in September. Nonmanufacturing industries led the way with a 14,600 gain, while manufacturing industries posted a 600 decline.



SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984

*Civilian Labor Force Only

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
1983 Benchmark
October 10, 1984

RESIDENT OREGON LABOR FORCE

	1/ Sept. 1984	2/ Aug. 1984	Change	% Change	5/ Sept. 1983
Civilian Labor Force 3/	1,333,100	1,332,700	+ 400	+0.0	1,343,200
Unemployment	99,300	106,700	-7,400	-6.9	117,300
Percent of Labor Force	7.4	8.0	xxx	xxx	8.7
Seasonally Adjusted Percent	8.8	8.8	xxx	xxx	10.3
Total Employment 4/	1,233,800	1,226,000	-7,800	0.6	1,225,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Sept. 1984	2/ Aug. 1984	Sept. 1983	Change From Aug. 1984	Change From Sept. 1983
TOTAL 3/	1,011,300	997,300	984,200	14,000	27,100
Wage & Salary Employment Index 4/	105.9	106.1	103.2	xxx	xxx
Diffusion Index 5/	53.5	55.8	54.2	xxx	xxx
Total Manufacturing	207,900	208,500	198,600	- 600	9,300
Durable Goods	147,700	148,400	138,200	- 700	9,500
Lumber & Wood Products	67,400	67,600	66,300	- 200	1,100
Logging & Sawmills	35,400	35,900	34,500	- 500	900
Veneer & Plywood	17,200	16,900	18,000	300	- 800
Millwork & Structural Wood	8,900	8,900	8,300	0	600
Mobile Homes	1,800	1,800	1,700	0	100
Other Wood Products	4,100	4,100	3,800	0	300
Furniture & Fixtures	2,200	2,100	2,400	100	- 200
Stone, Clay, Glass, & Concrete	3,500	3,500	3,400	0	100
Primary Metals	8,800	8,800	7,400	0	1,400
Blast Furnaces, Iron & Steel	5,200	5,100	3,700	100	1,500
Nonferrous Metals	3,600	3,700	3,700	- 100	- 100
Fabricated Metals	10,300	10,400	9,900	- 100	400
Fabricated Structural Metals	4,800	4,900	4,500	- 100	300
Other Fabricated Metals	5,500	5,500	5,400	0	100
Machinery	16,200	16,200	14,900	0	1,300
Electrical Equipment & Supplies	13,300	13,200	10,900	100	2,400
Transportation Equipment	8,800	9,400	6,400	- 600	2,400
Instruments & Related Products	14,600	14,600	14,200	0	400
Miscellaneous Manufacturing	2,600	2,600	2,400	0	200
Nondurable Goods	60,200	60,100	60,400	100	- 200
Food & Kindred Products	29,900	29,200	30,600	700	- 700
Canning & Preserving	19,500	18,600	20,300	900	- 800
Other Food Products	10,400	10,600	10,300	- 200	100
Textile Mill Products	1,800	1,800	1,700	0	100
Apparel	2,700	2,700	2,500	0	200
Paper & Allied Products	8,800	9,400	9,200	- 600	- 400
Printing & Publishing	11,100	11,000	10,500	100	600
Chemicals & Allied Products	2,200	2,200	2,200	0	0
Petroleum Refining	600	600	600	0	0
Rubber & Plastic Products	2,600	2,700	2,600	- 100	0
Leather Products	500	500	500	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Sept. 1984	Aug. 1984	Sept. 1983	Change From Aug. 1984	Change From Sept. 1983
(cont.)					
Total Nonmanufacturing	803,400	788,800	785,600	14,600	17,800
Mining & Quarrying	2,300	2,300	1,800	0	500
Construction	31,200	31,600	30,600	- 400	600
Transportation, Communications, & Utilities	56,000	55,600	56,500	400	- 500
Transportation	33,600	33,200	33,100	400	500
Railroad	5,400	5,400	5,400	0	0
Trucking & Warehousing	17,700	17,600	17,500	100	200
Other Transportation	10,500	10,200	10,200	300	300
Communications	13,900	13,900	14,900	0	- 1,000
Utilities	8,500	8,500	8,500	0	0
Trade	255,500	254,300	249,600	1,200	5,900
Wholesale Trade	65,000	64,600	63,700	400	1,300
Durable Goods	37,700	37,700	37,200	0	500
Nondurable Goods	27,300	26,900	26,500	400	800
Retail Trade	190,500	189,700	185,900	800	4,600
General Merchandise	24,800	24,900	23,900	- 100	900
Food Stores	28,800	28,500	28,200	300	600
Auto Dealers & Service Stations	24,100	24,100	23,100	0	1,000
Other Retail Trade	112,800	112,200	110,700	600	2,100
Finance, Insurance, & Real Estate	67,500	67,300	66,000	200	1,500
Banking & Credit Agencies	23,600	23,600	23,600	0	0
Other Finance, Insurance, & Real Estate	43,900	43,700	42,400	200	1,500
Services	203,100	201,500	196,700	1,600	6,400
Hotels & Personal Services	24,900	25,000	23,500	- 100	1,400
Health Services	68,400	69,200	67,800	- 800	600
Other Services	109,800	107,300	105,400	2,500	4,400
Government	187,800	176,200	184,400	11,600	3,400
Federal Government	29,900	30,300	30,200	- 400	- 300
State Government	48,700	48,800	49,500	- 100	- 800
Education	17,800	17,700	17,700	100	100
Other State	30,900	31,100	31,800	- 200	- 900
Local Government	109,200	97,100	104,700	12,100	4,500
Education	67,400	54,900	62,800	12,500	4,600
Other Local	41,800	42,200	41,900	- 400	- 100
Labor-Management Disputes	900	700	2,500	200	- 1,600

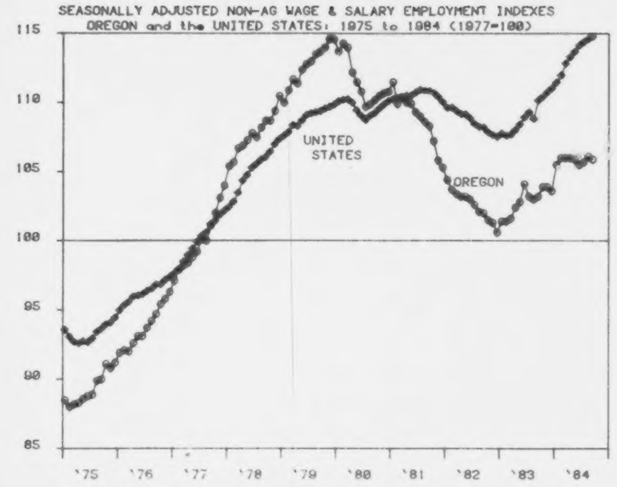
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and the UNITED STATES: 1975 to 1984 (1977=100)

In the lumber and wood products industry, good weather led to a continuation of strong retail activity, resulting in distribution yards buying replacement stock. As this occurred, mills found it more difficult to meet demand. Plywood producers experienced increased action partly due to low inventories, principally of sheathing items. The veneer market, however, suffered from excess production, while waferboard plants experienced pressure to book orders. The employment outcome was a less than seasonally expected drop of only 200 between August and September, which represented 1,100 more persons employed in the industry than a year ago.

Layoffs in the shipbuilding and repair industry were a major factor causing a seasonally adjusted decline of 1,400 employes in other durable goods manufacturing in September. While there were no other significant changes over the month, 8,400 more employes were working in this group of industries than one year earlier. The greatest increases came in the primary metals, machinery, and electrical equipment and supplies industries. Continuing announcements of Japanese firms planning to locate in Oregon and of existing firms planning expansion (e.g. Wacker Siltronic), indicate that some durable goods industries will be giving Oregon's economy a further boost within the next two to three years. Other durable goods industries, however, may be hard pressed to retain their current employment levels. A recent announcement from one aluminum producer that it plans to sell its Oregon plant underscores this point.

At the risk of sounding like a broken record, the overly wet spring continued to affect the food and kindred products industry. Late summer and early fall crop harvests were delayed due to late plantings in the spring, and in some cases, replantings resulting from the springtime overabundance of water. Crops such as apples, corn, and onions have all been affected by the late harvests. Employment in the food processing industry lagged somewhat in September, posting a small seasonally adjusted loss of 200.

Labor disputes were the driving force behind a loss of 600 employes in the paper and allied products industry. A slight gain of 100 in printing and publishing was offset by a 100 employee loss in rubber & plastic products.

The completion of maintenance work at the Trojan nuclear power plant, coupled with a slowdown in road work, resulted in a 400 employe drop in heavy construction employment. Related construction activities, such as structural steel and concrete work, also showed declines in the number of employes. Although other construction activities made slight gains, these were insufficient to offset the heavy construction losses.

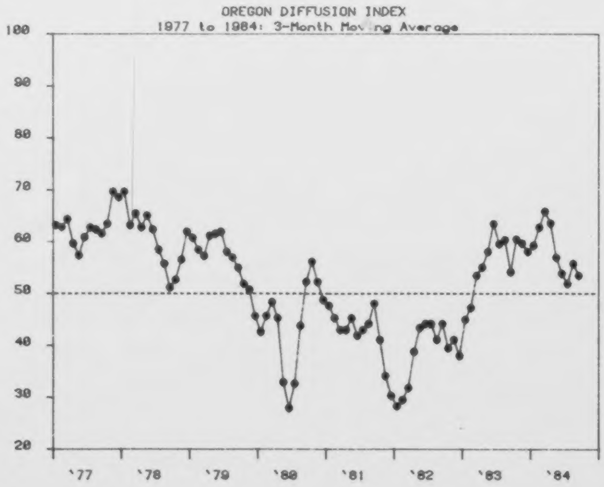
Employment in communications and utilities remained unchanged between August and September . A 600 employe gain in transportation was primarily the result of companies which provide school bus services adding employes at the onset of the school year.

Employment in the trade industry showed gains in all areas with the exception of general merchandise. The number of trade employes increased by 1,200 but was still 1,500 short of seasonal expectations, a situation which followed the national trend of a slowing in consumer spending. As the winter months approach, spending patterns are becoming more conservative.

Boosted by increases in business services, auto repair, and private education, the services industry posted a gain of 1,600 employes between August and September. Hotels and personal services declined by 100 employes, while a widespread drop in health services (other than hospitals) forced an 800 employe drop.

The start of the school year prompted a jump in government employment. September's gain, however, was 1,400 higher than normal. This was primarily because other local government employment dropped less severely than usual as local municipalities and counties capitalized on continued fair weather for street and road repairs.

In summary, September's economic performance was significant because the unemployment rate held at its lowest point of 1984, and the number of unemployed Oregonians dropped to its lowest level in four years! While the economic changes have been small on a monthly basis, over the year they have added up to noticeable improvement.□


OREGON DIFFUSION INDEX
1977 to 1984: 3-Month Moving Average

NORTH COAST ECONOMIC PROFILE

Alan Stoebig

(Editor's note: Mr. Stoebig is the Employment Division's Labor Economist for Northwest Oregon.)

Northwest Oregon consists of the four rural counties of Columbia, Clatsop, Tillamook, and Lincoln. With the exception of Columbia, which lies inland alongside the Columbia River, these counties are bounded on the west by the Pacific Ocean. The interior of all four counties is dominated by the rugged Coast Range, which runs north and south. Terrain is largely softwood forests of Douglas fir, Hemlock, and Sitka spruce. Most of the region's relatively sparse population and industry base is located along the Columbia River and down the coastline.

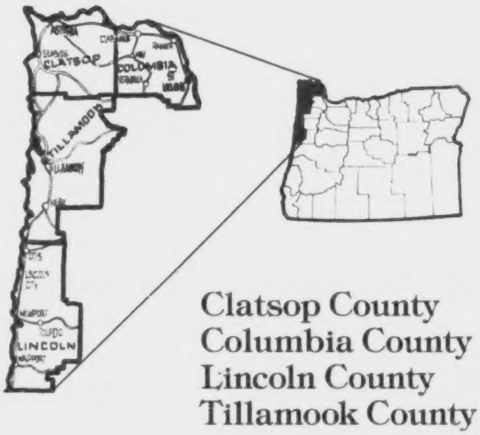
The region's population base registered major gains throughout the 1970s, but growth slowed significantly after 1980 when the 1980-82 economic downturn brought about a shortage of local job opportunities. The three coastal counties are the home for many retirees, whose incomes are relatively immune from the business cycle.

Northwest Oregon traditionally has been heavily dependent on a relatively small number of industries for its economic well-being. The region has capitalized on its natural assets to develop forestry, fishing, agriculture, and tourism industries. Lumber and wood products continues to play a prominent role in the area's manufacturing base, although this industry's employment has been experiencing a long-term decline.

Limited economic diversification, coupled with the relative isolation of most of these counties, has tended to keep economic progress in the region below the state's rate. Only Lincoln County has consistently reported a seasonally adjusted nonfarm wage and salary employment index that is above Oregon's. All four counties contain local economic development organizations that are making vigorous efforts to diversify the region's base.

Growth in the region's labor force dropped significantly after 1980 as a result of the 1980-82 recession. By 1982 all four counties had recorded annual unemployment rates in double-digits. Although the 1983-84 recovery has brought jobless rates down throughout Northwest Oregon, the current economic upturn has been modest at best. This conclusion is supported by the fact that the seasonally adjusted nonfarm wage and salary employment index for each county remains below its corresponding pre-1980 level. All four counties are also on the 1984-85 Federal Register of labor surplus areas, which gives local employers preferential bidding rights on federal contracts.

Columbia County (Area: 676 sq. miles, 1983 Pop: 36,000, 1983 Unemp. Rate: 9.9%, 1982 Per Capita Income: $9,331).



Columbia's nonfarm wage and salary employment amounted to 7,540 in 1983. About one out of every two manufacturing (2,100) employees works in lumber and wood products (1,070). A large paper plant at St. Helens provides stable employment in paper and allied products (630). The Trojan Nuclear Plant near Rainier also shows little employment change in its permanent staff. The plant's annual shutdown and maintenance operation however, brings in hundreds of construction workers during the spring and summer months. Many Columbia residents commute to jobs in the nearby Portland and Longview-Kelso labor markets. Natural gas discoveries since 1979 in west Columbia County have created very few local jobs.

Clatsop County (Area: 843 sq. miles, 1983 Pop: 32,750, 1983 Unemp. Rate: 11.8%, 1982 Per Capita Income $9,679)

Nonfarm wage and salary employment in Clatsop County was estimated at 10,820 for 1983. The county, like the other two coastal counties, has a highly seasonal industrial base due primarily to the weather and the tourist season. Major manufacturing industries include lumber and wood products (750) and food products (620). A large paper plant in northeast Clatsop County provides employment stability for paper and allied products (850). The county's fishing and food products industry was adversely affected by El Nino, an abnormal warming of offshore waters, during 1982 and 1983. In recent years Seaside has upgraded its appearance and facilities to attract more tourists. Astoria should see its economy improve significantly now that Astoria Oil has been awarded a $17 million, two-year contract to build oil site modules.

Tillamook County (Area: 1,139 sq. miles, 1983 Pop.:21,500, 1983 Unemp. Rate: 12.5%, 1982 Per Capita Income: $9,376).

Tillamook, the land of "trees, cheese, and ocean breeze", had 5,360 in its 1983 wage and salary work force. The lush lowlands around Tillamook Bay support many herds of dairy cattle and other livestock.

This agricultural activity makes possible a major dairy products industry within food products (370), which has shown stable employment. Nevertheless, the county is still heavily dependent on the fortunes of lumber and wood products (650), which employs one out of every two manufacturing workers. Crown-Zellerbach, the county's largest logging firm, will phase out operations by the end of 1984, eliminating 80 jobs. However, the county's other durable goods sector (90) will show significant growth in upcoming months after Wren Aircraft relocates from Arizona to one of the WW II blimp hangers near Tillamook.

Lincoln County (Area: 998 sq. miles, 1983 Pop: 36,750, 1983 Unemp. Rate: 11.0%, 1982 Per Capita Income: $9,503).

Nonfarm wage and salary employment amounted to 11,630 for Lincoln County during 1983. The county has major industries in lumber and wood products (790); other nondurable goods (550), which is largely seafood processing and preserving; and paper and allied products (620), centered at the Toledo plant. Lincoln County, during the 1970s, mounted a successful campaign to get itself on the tourist map. Although it is strongly seasonal, tourism has been responsible for boosting employment in trade (2,930) and service (2,660), especially during the summer months. Tourism is felt most strongly in the coastal region from Lincoln City south through Newport on down to Waldport.

The Employment Division publishes newsletters that review the Northwest Oregon economy. The monthly North Coast Labor Trends, analyzes Columbia, Clatsop, and Tillamook counties, while the bimonthly Newport Labor Trends, examines developments in Lincoln County. The annual District 1 Economic Survey Analysis, which will be available early in 1985, profiles the entire Northwest Oregon region. □

LABOR SURPLUS AREAS

The July, 1984 issue of Oregon Labor Trends contained a preliminary list of areas in Oregon which were likely to be designated by the U.S. Department of Labor as "Labor Surplus Areas" for the period October 1, 1984 through September 30, 1985.

The Labor Department's official list has now been released, and includes the 31 Oregon areas shown below. Note that this list differs slightly from the one published in the July issue. Employers located in any of these areas currently qualify for bidding preference on certain federal procurement contracts.

Baker
Clatsop
Columbia
Coos
Crook
Curry
Deschutes
Douglas
Grant
Harney
Hood River
Jackson
Jefferson
Josephine
Klamath
Lake
Lane less Eugene City
Lincoln
Linn
Malheur
Marion less Salem City
Polk less Salem City
City of Salem
City of Portland
Tillamook
Umatilla
Union
Wallowa
Wasco
Wheeler
Yamhill

The areas shown above are not related to the designations of "Areas of Substantial Unemployment" made by the U.S. Department of Labor to determine annual funding allocations under the Job Training Partnership Act (JTPA). For JTPA purposes only, the entire State of Oregon currently qualifies as an "Area of Substantial Unemployment." □

NEW PUBLICATION – CAREERS TABLOID

Oregon Careers, the annual guide for career explorers and job-seekers, is now available from the Employment Division. The 1984-85 edition includes tips for those entering the job market for the first time, in-depth stories on what employers look for in resumes and interviews, and articles on entrepreneurship. It is a valuable tool, for job-seekers of all ages as well as for counselors and teachers of career education and job hunting skills.

As in the past, Oregon Careers 1984-85 also provides information on key occupations in the state -- including job descriptions, employment outlook, approximate salaries, training required, and training opportunities in Oregon. In addition, the guide includes articles on various government programs and other resources for job hunters.

New this year is a Users' Guide to Oregon Careers, which has been prepared especially for counselors and teachers and includes background information as well as suggestions for career-exploration and other follow-up activities.

For copies of Oregon Careers 1984-85, contact:

Occupational Program Planning System,
Employment Division, 875 Union NE, Salem OR
97311, or call OPPS at 503-378-6400 or
toll-free 800-237-3710, ext. 8-6400.

Limited copies of the Users' Guide are available from Nancy Hargis, Oregon Occupational Information Coordinating Committee, 875 Union NE, Salem OR 97311, phone 503-378-8146 or toll-free 800-237-3710, ext. 8-8146. □

HOURS AND EARNINGS

Jason Yohannon

Predictable events shaped the course of hours and earnings during August. The average length of the manufacturing workweek held steady at 38.7 hours. Hourly earnings dipped by $.19, only slightly affecting weekly earnings. Among nonmanufacturing industries, only construction showed appreciable change. The construction workweek rose by 1.0 to 37.9 hours, and hourly earnings increased by 0.28 to $14.75 in August.

Lower hourly pay in manufacturing was attributable to nondurable goods -- specifically, food & kindred products which added 6,300 production workers. Because these seasonal employes earn less per hour than their permanent counterparts, hourly and weekly earnings fell in August. Earnings gains in printing & publishing were the result of more overtime work.

In terms of the workweek, several industries showed big changes, but these were expected. August increases in weekly hours in millwork & structural wood, furniture & fixtures, textile products, and apparel all resulted from reopenings of several firms which had shut down in July due to vacations, maintenance closures, or temporary layoffs. In other wood products, however, the workweek declined as these kinds of shutdowns occurred in August rather than in July. Average weekly hours in paper & allied products rose from 41.1 to 43.2 because of the continuing high level of production, possibly coupled with anticipation of an upcoming labor dispute.

Construction's weekly earnings rise went hand-in-hand with August's brilliant weather, which allowed a long workweek and more heavy construction projects across the state, especially in the Portland area.

August's average weekly hours (38.7) were below the 1983 level (39.4). Although lower weekly hours can indicate a slowing of manufacturing activity, that is not the case now. Rather it indicates rising confidence among employers in hiring new employes to handle increasing workloads instead of working current employes overtime. Almost all components of manufacturing show higher employment than in August 1983, with 11,500 more employes, of which 10,300 are "production workers". Although the average employe is working fewer hours per week, more total hours are being worked. Assuming productivity has stayed constant, the result is more production.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug. 2/ 1984	July 3/ 1984	Aug. 1983	Aug. 2/ 1984	July 3/ 1984	Aug. 1983	Aug. 2/ 1984	July 3/ 1984	Aug. 1983
TOTAL MANUFACTURING 4/	$401.71	$409.06	$394.39	38.7	38.7	39.4	$10.38	$10.57	$10.01
Durable Goods	421.79	421.30	413.42	39.2	39.3	39.6	10.76	10.72	10.44
Lumber & Wood Products	426.62	431.64	425.32	38.4	38.3	39.2	11.11	11.27	10.85
Logging & Sawmills	451.39	470.01	450.46	37.9	39.2	38.9	11.91	11.99	11.58
Veneer & Plywood	438.20	420.24	427.88	39.8	38.1	39.4	11.01	11.03	10.86
Millwork & Struct Wood	342.22	318.99	335.60	39.2	34.9	40.0	8.73	9.14	8.39
Mobile Homes	282.23	286.31	297.17	34.8	35.7	37.1	8.11	8.02	8.01
Other Wood Products	409.96	453.53	420.40	37.1	40.1	40.0	11.05	11.31	10.51
Furniture & Fixtures	302.02	276.72	281.86	37.8	33.3	36.7	7.99	8.31	7.68
Primary Metals	504.06	501.25	512.78	41.9	43.1	40.6	12.03	11.63	12.63
Fabricated Metals	400.79	397.60	399.65	39.8	39.8	41.5	10.07	9.99	9.63
Machinery	406.77	415.31	403.39	39.0	40.4	38.9	10.43	10.28	10.37
Nondurable Goods	351.38	372.05	346.75	37.5	36.8	38.7	9.37	10.11	8.96
Food & Kindred Products	272.92	304.67	289.25	36.1	36.4	39.3	7.56	8.37	7.36
Canning & Preserving	230.33	248.16	244.11	35.6	35.3	39.5	6.47	7.03	6.18
Other Food Products	379.34	396.13	408.39	37.3	38.2	38.6	10.17	10.37	10.58
Textile Mill Products	217.66	198.21	218.95	35.8	32.6	37.3	6.08	6.08	5.87
Apparel	207.31	156.22	204.28	37.9	29.7	37.9	5.47	5.26	5.39
Paper & Allied Products	581.47	574.58	544.85	43.2	41.1	40.6	13.46	13.98	13.42
Printing & Publishing	443.01	408.67	386.31	35.9	34.4	34.4	12.34	11.88	11.23
Construction 4/	559.03	533.94	537.26	37.9	36.9	36.4	14.75	14.47	14.76
Communications & Utilities 5/	498.48	492.08	466.44	40.2	40.5	39.0	12.40	12.15	11.96
Trade 5/	296.34	298.93	284.97	34.7	34.8	34.5	8.54	8.59	8.26
Wholesale Trade	395.86	408.96	382.02	38.1	38.4	37.6	10.39	10.65	10.16
Retail Trade	246.42	245.60	236.88	32.9	33.1	32.9	7.49	7.42	7.20
Banking & Insurance	268.23	273.47	263.32						
State & Local Government	353.76	346.50	338.11						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYERS CORNER – EMPLOYERS TAX REPORTS TO BE PROCESSED BY OPTICAL CHARACTER READER

Jayne Martin *Dick Krueger*

Through the utilization of a new Optical Character Reader (OCR), the Employment Division will be able to process the data on Employer's Tax Reports faster and more efficiently. Quarterly reports will be processed by the OCR beginning in April, 1985.

The OCR "reads" alphabetic and numeric characters produced by various typewriters and line printers. The data is electronically interpreted and translated into computer language. It is then edited and recorded on magnetic tape, ready for immediate use. The OCR can perform a wide variety of accounting functions. It can recompute, cross-check, accumulate and balance totals.

The OCR will benefit employers by reducing the cost of administering the Unemployment Insurance Program, which is financed by the employer community. Accounting records will be updated sooner, which will increase the accuracy of the billing system. It will also decrease the number of personnel needed to process the reports.

In order to ensure the success of the program, employers will be asked to follow a few instructions:

1. USE BLACK RIBBON. There are various colors of ribbons that are not readable by the OCR. For best results use black ribbon to produce a dark, clear, distinct image.

2. DO NOT HANDWRITE REPORTS. Handwritten reports are difficult for the OCR to read. Reports, to be processed efficiently, must be typewritten.

3. USE APPROVED FORMS. Employers should not substitute their own computer printout for the Employment Division form unless it is in the same format as our 1985 Report of Employes Wages and Weeks of Work.

Following these instructions is vital to a successful operation.

The Employment Division is conducting a test in order to "work out the bugs" before April, 1985. We are asking for assistance from employers in conducting this test. Test forms will be mailed around November 15, 1984 and will need to be returned by November 30, 1984. We are asking a sample of employers to complete the test forms as they would their regular quarterly tax reports with the data from the second quarter of 1984. With the help of employers, we will be able to create a program that operates efficiently and smoothly.□

POPULATION PROJECTIONS

Between 1980 and the year 2000, Oregon's population will grow 25.5% to reach 3,304,300, according to a recent report prepared by the Center for Population Research and Census at Portland State University. Over three-fifths of this growth is expected to occur in the decade of the 1990s.

Deschutes County is predicted to have the fastest growth (+64.3%), followed closely by Morrow County (+60.9%) and Washington County (+51.9%).

The report gives the following information for the state and for each county in five-year time periods: births, deaths, natural increase, net migration, population by age, and population by sex and age group. Population Projections, Oregon and Its Counties, 1980 to 2000 is available for $10.00 from the Center for Population Research and Census, School of Urban and Public Affairs, Portland State University, P.O. Box 751, Portland OR 97207.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE, $300

U.S.MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449

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CONGRESSIONAL INFORMATION SVC DEPT
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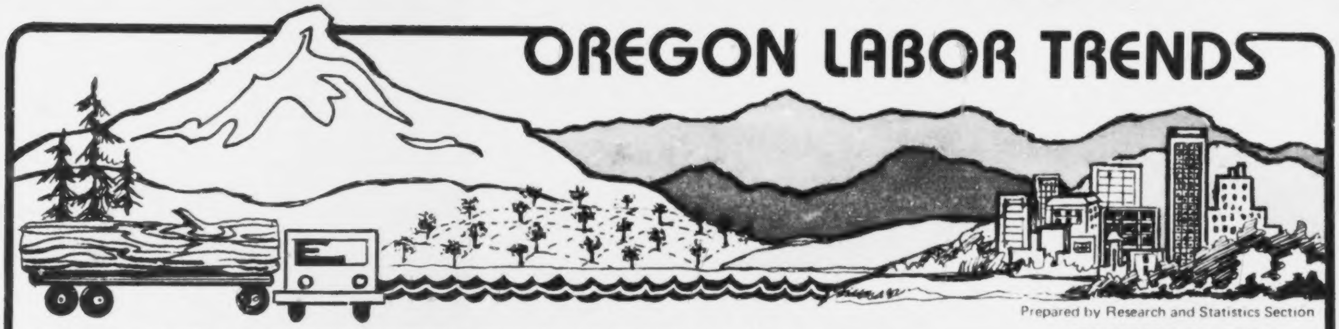
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

12/7/84 S6615-2

OREGON LABOR TRENDS



Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

NOVEMBER 1984

OCTOBER INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
Oct. '84	9.2
Sept. '84	8.8
Oct. '83	10.0
U.S.	
Oct. '84	7.4
Sept. '84	7.4
Oct. '83	8.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Oct. 1984:	106.8
Sept. 1984:	106.0
Aug. 1984:	106.1
July 1984:	105.7
June 1984:	105.5

DIFFUSION INDEX

Oregon	
Oct. 1984:	54.3
Sept. 1984:	51.6
Aug. 1984:	55.8
July 1984:	51.9
June 1984:	53.9

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Sept. 1984:	40.4
Aug. 1984:	38.9
Sept. 1983:	39.1

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
Sept. 1984	302.5
Yearly Change	+ 3.1%
U.S.	
Oct. 1984	315.3
Yearly Change	+ 4.2

Portland Hotline 221-4132

MONTHLY ECONOMIC ANALYSIS

Gary Barker

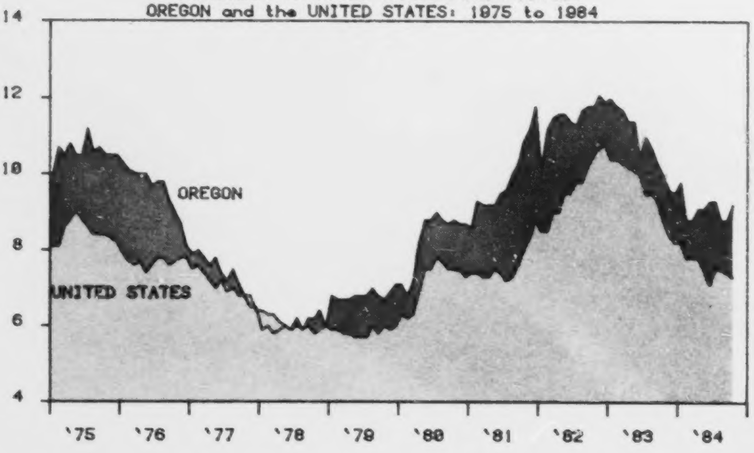
Results are in for October. The preliminary polls show Oregon's economy leaning towards higher unemployment along with a gain on the nonfarm employment side. A mixed bag? Let's look at the results.

Following a mostly predictable pattern, the state's raw, or unadjusted unemployment rate ended a steady nine month decline. Dropping steadily from January's 12.0%, raw unemployment bottomed out at 7.5% in September, only to climb back to 8.2% in October. Winter weather and, to a much lesser extent, market conditions slowed the wheels of progress in the northwest, a region of the U. S. where employment is most susceptible to changes in the weather. And to what degree did the natural and economic climate influence Oregon's October performance? The answer can be found in the unemployment rate adjusted for that seasonal variation and also via an "expected" employment count.

Seasonally adjusted unemployment would, all else being equal (ceteris paribus for the economists in the crowd), hold steady from month to month. The U. S. rate did. Oregon's did not.

The latest data for the nation showed the seasonally adjusted unemployment rate holding even at 7.4% of the civilian labor force. The lack of change fits the pattern of recent months, and comes as no surprise.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



*Civilian Labor Force Only

RESIDENT OREGON LABOR FORCE

	1/ Oct. 1984	2/ Sept. 1984	Change	% Change	5/ Oct. 1983
Civilian Labor Force 3/	1,340,000	1,333,800	+ 6,200	+ 0.5	1,339,400
Unemployment	109,800	99,400	+10,400	+10.5	116,800
Percent of Labor Force	8.2	7.5	xxx	xxx	8.7
Seasonally Adjusted Percent	9.2	8.8	xxx	xxx	10.0
Total Employment 4/	1,230,200	1,234,400	- 4,200	- 0.3	1,222,600

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Oct. 1984	2/ Sept. 1984	Oct. 1983	Change From Sept. 1984	Change From Oct. 1983
TOTAL 3/	1,017,200	1,011,500	989,000	5,700	28,200
Wage & Salary Employment Index 4/	106.8	106.0	103.9	xxx	xxx
Diffusion Index 5/	54.3	51.6	60.5	xxx	xxx
Total Manufacturing	203,700	207,700	195,500	-4,000	8,200
Durable Goods	145,100	147,300	137,200	-2,200	7,900
Lumber & Wood Products	65,800	67,400	65,500	-1,600	300
Logging & Sawmills	34,400	35,600	33,500	-1,200	900
Veneer & Plywood	17,000	17,200	18,000	- 200	- 1,000
Millwork & Structural Wood	8,800	8,900	8,300	- 100	500
Mobile Homes	1,600	1,700	1,800	- 100	- 200
Other Wood Products	4,000	4,000	3,900	0	100
Furniture & Fixtures	2,300	2,200	2,300	100	0
Stone, Clay, Glass, & Concrete	3,300	3,400	3,300	- 100	0
Primary Metals	8,600	8,800	7,600	- 200	1,000
Blast Furnaces, Iron & Steel	5,200	5,200	3,800	0	1,400
Nonferrous Metals	3,400	3,600	3,800	- 200	- 400
Fabricated Metals	10,200	10,400	9,700	- 200	500
Fabricated Structural Metals	4,700	4,900	4,300	- 200	400
Other Fabricated Metals	5,500	5,500	5,400	0	100
Machinery	16,400	16,100	14,900	300	1,500
Electrical Equipment & Supplies	13,400	13,300	10,900	100	2,500
Transportation Equipment	8,000	8,500	6,500	- 500	1,500
Instruments & Related Products	14,500	14,600	14,200	- 100	300
Miscellaneous Manufacturing	2,600	2,600	2,300	0	300
Nondurable Goods	58,600	60,400	58,300	-1,800	300
Food & Kindred Products	28,500	30,000	28,600	-1,500	- 100
Canning & Preserving	17,900	19,600	18,100	-1,700	- 200
Other Food Products	10,600	10,400	10,500	200	100
Textile Mill Products	1,800	1,800	1,700	0	100
Apparel	2,700	2,700	2,500	0	200
Paper & Allied Products	8,700	8,800	9,100	- 100	- 400
Printing & Publishing	11,000	11,100	10,500	- 100	500
Chemicals & Allied Products	2,200	2,300	2,200	- 100	0
Petroleum Refining	600	500	600	100	0
Rubber & Plastic Products	2,700	2,700	2,600	0	100
Leather Products	400	500	500	- 100	- 100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Oct. 1984	Sept. 1984	Oct. 1983	Change From Sept. 1984	Change From Oct. 1983
(cont.)					
Total Nonmanufacturing	813,500	803,800	793,500	9,700	20,000
Mining & Quarrying	2,200	2,200	1,800	0	400
Construction	30,400	31,200	30,100	- 800	300
Transportation, Communications, & Utilities	55,800	55,600	56,000	200	- 200
Transportation	33,800	33,400	32,700	400	1,100
Railroad	5,400	5,400	5,200	0	200
Trucking & Warehousing	17,900	17,500	17,300	400	600
Other Transportation	10,500	10,500	10,200	0	300
Communications	13,700	13,800	14,900	- 100	- 1,200
Utilities	8,300	8,400	8,400	- 100	- 100
Trade	256,000	256,300	247,900	- 300	8,100
Wholesale Trade	65,200	65,300	63,500	- 100	1,700
Durable Goods	37,400	37,600	37,100	- 200	300
Nondurable Goods	27,800	27,700	26,400	100	1,400
Retail Trade	190,800	191,000	184,400	- 200	6,400
General Merchandise	25,700	24,800	24,300	900	1,400
Food Stores	28,900	28,700	28,300	200	600
Auto Dealers & Service Stations	23,900	24,000	23,100	- 100	800
Other Retail Trade	112,300	113,500	108,700	-1,200	3,600
Finance, Insurance, & Real Estate	66,900	67,300	65,400	- 400	1,500
Banking & Credit Agencies	23,100	23,500	23,400	- 400	- 300
Other Finance, Insurance, & Real Estate	43,800	43,800	42,000	0	1,800
Services	203,800	203,300	195,800	500	8,000
Hotels & Personal Services	24,400	24,800	23,200	- 400	1,200
Health Services	68,800	68,800	67,300	0	1,500
Other Services	110,600	109,700	105,300	900	5,300
Government	198,400	187,900	196,500	10,500	1,900
Federal Government	29,700	29,800	29,700	- 100	0
State Government	53,000	48,900	53,700	4,100	- 700
Education	22,700	18,100	23,000	4,600	- 300
Other State	30,300	30,800	30,700	- 500	- 400
Local Government	115,700	109,200	113,100	6,500	2,600
Education	74,200	67,400	71,800	6,800	2,400
Other Local	41,500	41,800	41,300	- 300	200
Labor-Management Disputes	900	900	1,400	0	- 500

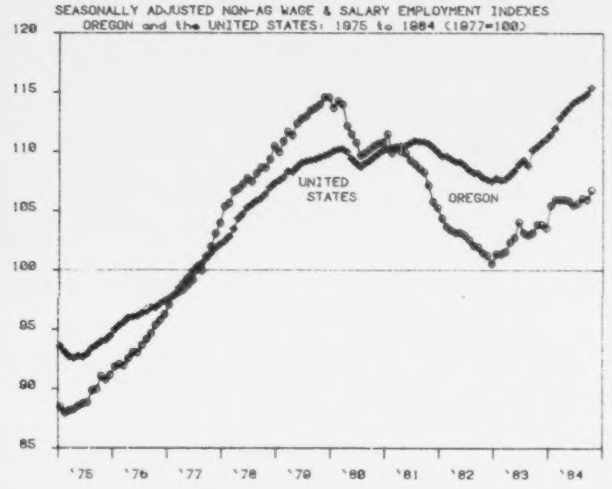
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



In Oregon the rate rose to 9.2% in October from September's 8.8%, not a dramatic jump and not likely to be the sign of a weakening economy. Most important in watching any economic indicator is detecting the emergence of patterns. None are evident. Over the first 10 months of 1984, Oregon's seasonally adjusted unemployment rate has ranged from 8.8% to 9.8% for a percentage spread of 1.0 point. During the last 5 years, the annual spread has averaged twice that amount, symptomatic of an economy in a state of transition. While the rate remains high, higher than good economic health dictates, it has displayed a degree of stability not evident in the recent past.

On the other side of the labor force coin is employment, both agricultural and nonagricultural. Farm employment, not surprisingly, showed a significant drop in October in response to the completion of harvest activities and a change in the weather. Nonfarm employment, meanwhile, exhibited considerable strength during the October survey period, as evidenced by the rise of .8 of a point in the wage and salary employment index. The normal seasonal expectation for October would be a reduction of about 3,000 nonfarm workers, rather than the reported increase of 5,700.

Lumber and wood products manufacturers highlighted the manufacturing employment picture. Though declines were uniformly evident throughout wood products, and even though several mills recently closed permanently, October's performance was good. Measured by the change in seasonally adjusted data, lumber and wood products ranked highest among the manufacturers and was behind only trade and services when all major industries are considered.

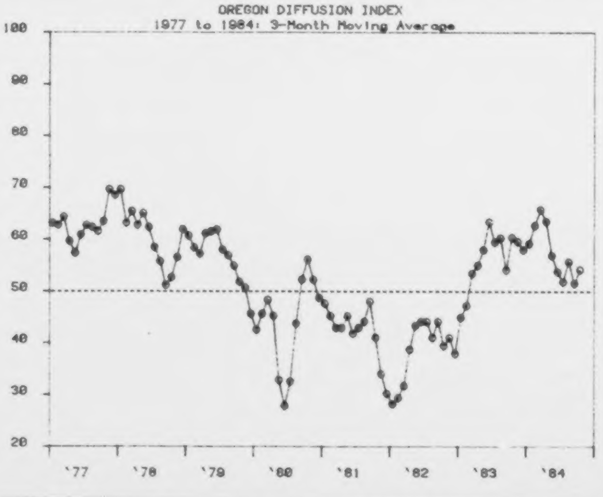
Certainly, Oregon's wood products industry continues to experience a tough transitional phase in which the casualty count is high. Nevertheless, over 2,000 employers are still operating in Oregon's lumber and wood products industry. These survivors have weathered the recession and many will undoubtedly muster some additional strength from the recent timber legislation. Let's briefly review that measure.

What is the timber contract relief bill? It is a bill the President recently signed into law allowing those employers who signed expensive federal timber contracts in the late 1970s and early 1980s to buy their way out. Up to 55% (a maximum of 200 million board feet) of their purchase can be returned to the federal government by paying a buy out fee. Included in the provisions of the bill are stipulations making larger companies pay a higher fee and, to alleviate concern from the south, a limit on the total volume (5.2 billion board feet) that can be sold in any one year. The bill also discourages future speculative bidding and includes a cash down payment, periodic payment provision for future contracts. Employers have until April 1985 to decide what to do.

The bill will allow some of the relief implied in the title. Though too late for many firms, the legislation will undoubtedly have a decisive impact on many still struggling for survival. While the full impact will not be evident for years to come, a good preview of the future will be apparent in the spring as the relief requests are counted.

Moving from lumber and wood, the other durable goods sector did not show much change in October. However, this sector is certainly one to keep watching. A succession of Japanese firms recently announced plans to locate in Oregon. This good news shows the results of efforts aimed at attracting industry, such as the repeal of the unitary tax and any real or perceived negative implications of that tax. It also reflects Oregon's comparatively inexpensive property values and the availability of skilled workers. This points to future employment expansion in the state as do recent announcements by the Atlantic Richfield Company, whose projects for the Alaskan pipeline could add over 1,000 jobs in Oregon.

Much of the employment "action" in October was concentrated in trade. An expected ebb in retail sales this fall among merchants was less than usual. In fact, much of the strength evident in trade was in the general merchandise component, where 900 workers were added over the month. If that early strength prevails, and if early reports from retailers are accurate, the 1984 holiday



season should be a good one. From the standpoint of temporary holiday hiring, the results won't be known for a while, because more than 50% of the 6,000 plus extra employees are not added to the rolls until December.

The services sector also performed well in October. Employment went up 500 over the month instead of taking a normal seasonal drop of about 1,500. Much of the change was concentrated in the other services category, where private education, temporary help agencies, and business services all reported gains. Most notable is the comparison with services employment a year ago, which shows a resounding 8,000 increase.

Elsewhere in nonmanufacturing, employment generally tracked along normal seasonal patterns. Oregon's besieged construction industry, however, continues to struggle with no immediate relief in sight. Mortgage rates are still too high to spark much activity, and a large volume of vacant homes remain on the market.

Nationally, the construction picture appears much better. For the U. S., housing starts could rise to 1.8 million in 1984, up strongly from the 1.1 million experienced just two years ago. Comparing prerecessionary (1979) employment levels to recent counts (Sept. 1984) tells the story. U. S. construction employment went up 4.2% over that period. Oregon showed a bitterly disappointing drop of 41.1%.

October's data presents something of a mixed bag with both unemployment and nonfarm employment going up. However, the key is not what happened this month, but the trend evident over time. Remember the anti "quick fix" sentiment out of the not too distant past? Well, that which we didn't want we didn't get. The result is evident in the fact that October 1984 employment stood 70,000 below that of October 1979. Yet the recent 1984 pattern depicts an economy that has broken the grips of the recession and demonstrated stability. Given the recent flurry of announcements by companies planning to locate in the state, the timber relief bill, plus an expectation of continued national economic prosperity, Oregon should continue to show slow growth.□

COMPARISON OF SELECTED OCCUPATIONS
1979-1982 WAGE AND SALARY EMPLOYMENT

The "Losers"

Occupation	Employment 1979	Employment 1982	Loss	Pct. Loss
Bookkeeper, Hand	15,193	13,100	- 2,093	-13.77
Bkpng/Billing Mach Op	2,164	1,335	- 829	-38.30
Brick Layer	1,436	291	- 1,145	-79.73
Carpenter	9,310	5,361	- 3,949	-42.41
Cement Mason	1,081	515	- 566	-52.35
Chain Offbearer	5,656	4,379	- 1,277	-22.57
Core Layer/Sheet Turner	1,331	798	- 533	-40.00
Cut-Off Saw Operator	1,156	679	- 477	-41.25
Drafters	4,115	2,562	- 1,553	-37.73
Electricians	5,438	4,226	- 1,212	-22.28
Faller &/or Bucker	3,036	1,888	- 1,148	-37.80
Heavy Equip Operator	6,724	4,466	- 2,258	-33.57
Machine Tool Operator	1,350	932	- 418	-30.95
Machinist	3,189	2,207	- 982	-30.78
Mechanic Automotive	9,707	7,052	- 2,655	-27.34
Plumber &/or Pipefitter	4,263	2,991	- 1,272	-29.83
Real Estate Broker	1,317	717	- 600	-45.55
Truck Driver	25,029	20,580	- 4,449	-17.77
Typist	13,479	11,251	- 2,228	-16.52
Veneer Grader	2,165	1,184	- 981	-45.30
Welders & Flamecutters	6,786	4,550	- 2,236	-32.95
TOTAL	123,925	91,064	-32,861	

The "Winners"

Occupation	Employment 1979	Employment 1982	Gain	Pct. Gain
Bartender	7,116	10,572	3,456	48.57
Child Care Attendant	267	510	243	91.01
Computer Operator	1,346	1,617	271	20.13
Computer Programmer	1,674	1,946	272	16.25
Counter Attendant	5,545	8,590	3,045	55.00
Dentist	232	573	341	146.98
Food Prep Fast Food	6,135	10,534	4,399	71.70
Instructor Reducing	101	331	230	227.72
Data Entry Keyer	3,983	4,682	699	17.55
Electrical Engineer	3,672	3,931	259	7.05
Electronic Technician	2,831	3,390	559	19.75
Lawyer	1,881	2,331	450	23.92
Mach Tool Op Numrcl Cntrol	328	403	75	22.87
Manager Restaurant	2,578	3,258	680	26.38
Mnual Art/Music Rec Thrpst	99	239	140	141.41
Masseur or Masseuse	64	168	104	162.50
Nurse Professional	11,738	15,171	3,433	29.25
Occupational Therapist	117	205	88	75.21
Physician & Surgeon	2,150	2,642	492	22.88
Psychiatric Aide	1,215	1,967	752	61.89
Public Rel Practitioners	603	813	210	34.83
Sales Agent Insurance	2,642	3,857	1,215	45.99
TOTAL	56,317	77,730	21,413	

OCCUPATIONAL IMPACTS OF THE RECESSION

Dave Allen

It is no secret that between 1979 and 1982 Oregon lost almost 100,000 jobs. The recession in Oregon was long and deep. We are just beginning to understand how Oregon's economic and occupational landscape has changed as a result of the recession. In pre-recession days Oregon's economy was characterized by high inflation, low interest rates, rapid population growth, and an increasing number of jobs created by the demand for housing. How things have changed! The post recession Oregon is just forming, but low inflation, high interest rates, slow population growth, a strong dollar, and increased competition in lumber and wood products are all making new job development difficult in Oregon. What will be the new labor needs of the post-recession?

Oregon's economic transition in occupational terms can be seen by looking at the occupational "losers" and "winners" of the recession. The losers fall into three major groups. First, there are those occupations affected by the decline in lumber and wood products. These include chain offbearers, cut-off saw operators, fallers and buckers, and veneer graders. A second group of losers are related to the downturn in construction activity. These include bricklayers, carpenters, cement masons, electricians, plumbers and pipefitters, welders and flamecutters. The employment decline in the third group of occupations is not as simple to explain. A combination of automation and changing demand reduced employment for hand bookkeepers, bookkeeping and billing machine operators, drafters, machine tool operators, machinists, automotive mechanics, and typists. The demand for these occupations has not only been affected by the use of computers, but also the job duties have been transformed. It seems that as typists become word processing operators, and drafters become computer assisted designers, industry does not need the same number of workers as before.

Gains in productivity may allow for the reduction of personnel. However, the effects of high tech automation and computer applications are not necessarily a reduction in employment. For example, the need for electrical engineers, electronic technicians, computer programmers, computer operators, data entry keyers, and numerical control machine tool operators increased between 1979 and 1982. These occupations grew during the recession because of the increasing use of computers. This increase is, of course, small in comparison to the jobs lost, but this comparison does not take other factors into account. For example, many of the jobs created by high tech industries are not associated with either computers or electronics. The point of the comparison between high tech losers and winners is that there has been a shift both in demand and in the job skills needed by workers. The machine tool operator lost ground (418 job loss), but the numerical control machine tool operator gained (75 new jobs). Whether the net loss of 343 jobs in the process means that computerization will eliminate more jobs than it creates cannot be answered here.

Most of the occupational winners are not, in fact, related to high tech but rather to service and trade industries. These occupations include bartenders, counter attendants, fast food workers, and restaurant managers. In fact, eating and drinking places have created more jobs since 1974 than any other industry.

Another group of occupational winners are the result of changing social conditions and attitudes. The dual income family has increased the need for child care, as well as the desire to eat out more often. The increasing emphasis on better physical health has increased the need for such occupations as weight reducing instructors, recreation therapists, and masseur/masseuses, to name just a few of those who help us shape up.

Three professional occupations on the winners list deserve some special attention. The "increased need" for dentists, doctors, and lawyers is not what it appears to be. Historically, these three occupations have been characterized by high self-employment. Since 1970, however, there has been a strong shift towards wage and salary employment. The following data taken from the 1970 and 1980 Oregon Census shows this trend.

	% Self-Employed		
	1970	1980	Difference
Dentists	88	68	-20
Physicians	56	36	-20
Lawyers	68	41	-27

There are a number of reasons for this shift towards wage and salary employment. All three of these professional groups have been faced with an increasing surplus of workers. One response to this surplus has been the increased use of shared facilities and incorporation. The recession and changes in medicare payments increased pressure to lower the cost of health care. The trend towards wage and salary employment is likely to continue, but it does not mean that there is an overall need for more dentists, physicians, or lawyers.

The recession has changed the economic and occupational landscape of Oregon. During the recession many persons lost jobs in occupations related to Oregon's natural resource based economy. Fundamental changes in the economy make it unlikely that pre-recession employment levels for these occupations will ever again be reached. Employment gains did, however, take place in many occupations during the recession. As we have seen, the need to increase productivity, cut labor costs, and diversify Oregon's economy has led to more jobs in high tech and service occupations. More important, perhaps, is the increased awareness the recession has given all of us of the skills required to survive in the changing labor market.□

THE EMPLOYER'S CORNER

Dorothy Monnier

EMPLOYERS..............

CASH IN ON A GOOD DEAL........

MAKE A "QUALITY CONNECTION"

Small or large EMPLOYERS can make a QUALITY CONNECTION under the Veteran's Jobs Training Act.

Are your training costs too high? Are your jobs hard to fill? Does your company need to expand but does not have the money? The Veterans Jobs Training Act may provide the solution.

Congress passed the Emergency Veterans Jobs Training Act of 1983 to ease the continuing unemployment problems faced by many veterans of the Korean conflict and Viet Nam era.

EARN TAX CREDITS TOO! Some Viet Nam era vets may qualify employers for the Targeted Jobs Tax Credit. The Tax Credit allows a company to claim up to 50% of the first $6,000 paid in wages. The second year a 25% tax credit is allowed on the first $6,000 paid in wages.

IT PAYS TO INTERVIEW A VET NOW.....THIS PROGRAM ALLOWS A DIRECT MONETARY COMPENSATION FOR THE EMPLOYER AND ALLOWS VETERANS SPECIAL CONSIDERATION.

This information is provided by the OREGON JOB SERVICE EMPLOYER COMMITTEE - employers setting the standard for business and government cooperation.

Contact your nearest Employment Division Office for further details.□

HOURS AND EARNINGS

Mike Staten

The most notable change in hours and earnings between August and September was a $12.79 gain in average weekly earnings, a direct result of increased average weekly hours in many manufacturing industries. The major exceptions to this trend were in furniture & fixtures, other food products, millwork & structural wood, and mobile homes.

The durable goods industries overall posted a 1.4 gain in average hours in September, principally on the strength of lumber and wood products. The number of wood products production workers, however, remained virtually unchanged at 60,400. The decline in furniture & fixtures weekly hours came in response to a gain in the number of employees, but each worked fewer average hours.

On the nondurable side of manufacturing, the number of employees in bakery products increased, pushing average weekly hours down. Substantial declines in the number of overtime hours worked in grain mill products and beverages also added to the 1.1 hour drop in average weekly hours.

In the construction industry, activities began to taper off in September with the termination of many heavy construction projects. As a result, weekly earnings in the construction industry fell.

September's performance, compared with that of one year ago, showed that average weekly hours were up 1.3 for total manufacturing. This gain was shared equally between durable and nondurable goods industries. The strongest gain in durable goods came in logging & sawmills, where the average workweek rose 2.3 hours and the number of production workers increased by 1,600. The largest nondurable goods gain came in canning and preserving, which added 4.6 hours per week but lost 1,200 production workers. Finally, 8,700 more production workers were "on the books" this September, with a total manufacturing payroll which was nearly $7.1 million or 11.8%, greater than a year ago.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sept 2/ 1984	Aug. 3/ 1984	Sept. 1983	Sept 2/ 1984	Aug. 3/ 1984	Sept. 1983	Sept 2/ 1984	Aug. 3/ 1984	Sept. 1983
TOTAL MANUFACTURING 4/	$417.74	$404.95	$395.69	40.4	38.9	39.1	$10.34	$10.41	$10.12
Durable Goods	438.45	425.81	419.75	40.9	39.5	39.9	10.72	10.78	10.52
Lumber & Wood Products	457.25	435.63	433.87	40.5	39.0	39.3	11.29	11.17	11.04
Logging & Sawmills	498.93	468.00	465.24	41.2	39.0	38.9	12.11	12.00	11.96
Veneer & Plywood	457.78	438.99	426.66	40.8	39.8	39.0	11.22	11.03	10.94
Millwork & Struct Wood	330.81	340.95	348.53	38.2	39.1	41.1	8.66	8.72	8.48
Mobile Homes	269.60	283.94	307.13	33.7	34.5	41.9	8.00	8.23	7.33
Other Wood Products	454.99	408.06	426.13	41.4	37.3	39.9	10.99	10.94	10.68
Furniture & Fixtures	289.00	299.75	248.07	35.9	37.8	32.9	8.05	7.93	7.54
Primary Metals	478.19	504.48	516.60	41.8	41.9	42.8	11.44	12.04	12.07
Fabricated Metals	403.01	406.61	388.55	40.1	40.1	40.9	10.05	10.14	9.50
Machinery	422.47	406.38	401.25	40.7	39.0	39.3	10.38	10.42	10.21
Nondurable Goods	364.26	351.56	338.35	39.0	37.4	37.1	9.34	9.40	9.12
Food & Kindred Products	298.70	277.61	274.00	39.2	36.1	36.1	7.62	7.69	7.59
Canning & Preserving	265.73	230.16	229.80	39.9	35.3	35.3	6.66	6.52	6.51
Other Food Products	387.62	398.32	403.20	37.2	38.3	38.4	10.42	10.40	10.50
Textile Mill Products	223.28	218.02	216.00	37.4	35.8	36.0	5.97	6.09	6.00
Apparel	208.87	204.50	204.28	37.1	37.8	37.9	5.63	5.41	5.39
Paper & Allied Products	591.60	570.63	549.18	42.5	42.3	40.5	13.92	13.49	13.56
Printing & Publishing	444.21	433.18	396.77	36.5	35.8	35.3	12.17	12.10	11.24
Construction 4/	538.56	552.68	528.17	37.9	37.7	35.4	14.21	14.66	14.92
Communications & Utilities 5/	513.32	498.48	467.68	41.0	40.2	39.4	12.52	12.40	11.87
Trade 5/	293.95	293.60	285.23	34.3	34.5	34.2	8.57	8.51	8.34
Wholesale Trade	383.16	392.27	384.00	37.2	37.9	37.5	10.30	10.35	10.24
Retail Trade	250.70	245.67	235.95	32.9	32.8	32.5	7.62	7.49	7.26
Banking & Insurance	272.48	267.11	264.32						
State & Local Government	341.67	352.79	336.86						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

LABOR MARKET INFORMATION PROGRAM

Tom Lynch

The "roots" of Labor Market Information (LMI) date back at least to the Great Depression when the need for data to assess the health of the national economy became vital. At that time the federal government, working with the states, initiated a data collection program to accurately determine the number of workers employed in various industries. The Wagner-Peyser Act of 1933 required LMI to support programs authorized under the act. This early reference to LMI has since been followed by several other pieces of federal legislation which reinforced and expanded the role of LMI in high priority federal programs. The latest act specifying a significant contribution from LMI was the Job Partnership Training Act (JTPA) of 1982. A portion of this Act requires the Secretary of Labor to develop a "comprehensive system of labor market information on a national, regional, state, local or other appropriate basis." Specifically, the Act requires the Secretary of Labor to work through the state governors to implement a system that meets a broad array of user needs. According to the Act, the system should provide information and analysis for such things as JTPA program planning, economic development, funding allocations, job placement and plant site locations.

The diversity of activities specified for the LMI programs requires a definition to encompass all of the functions mentioned above. This definition should be complete and easily understood by the general public. Perhaps the best definition was coined in 1970 by Joseph Epstein of the U.S. Department of Labor. He said:

> "The body of Labor Market Information refers to detailed and comprehensive information on the magnitude of dynamics of employment and the factors that influence them, the characteristics of the labor force, and the processes that brings workers and jobs together. It refers to the economic intelligence used to assure the efficiency of the labor market at all levels. Such factors as labor demand/supply, employment/unemployment ... are necessary for program development, policy guidance and legislative enactment".

This definition provides a goal which all federal/state LMI programs should hope to achieve. However, the level of development varies across the states in the areas of Labor Force, Occupational and Job Search Information. Of these three areas, the labor force information programs are the best understood and most technically developed. Occupational information has made significant progress in the 1970s and should reach a high state of development by 1990. Job search information is still in its infancy, but current funding priorities will probably slow any further progress in this area.

Because of their unique historical relationships with the U.S. Department of Labor, the State Employment Security Agencies are the nation's principal source of information on employment and jobs. Their LMI units have developed over the last 40 years the expertise and data sources to address most of the mandates of the Job Training Partnership Act of 1982. Within the Oregon LMI Unit there are specific programs which address the three areas of labor force, occupational demand/supply and Job Search Information. To meet the JTPA legislative requirements for a "comprehensive" Labor Market Information system at the federal, regional, state and local levels, the Bureau of Labor Statistics and the Oregon Employment Division share the funding of these LMI programs. The partnership has worked well and gained Oregon's LMI programs national recognition as leaders in their fields. The programs are:

-Current Employment Statistics (CES)
-Local Area Unemployment Statistics (LAUS)
-Occupational Employment Statistics (OES)
-Occupational Program Planning System (OPPS)

The partnership that exists between the federal and state governments assigns definite responsibilities to each participant in the operation of these programs. The U.S. Department of Labor oversees the technical responsibility for sampling, data collection, analytical techniques and publication standards for three of the four LMI programs (CES, LAUS, and OES). State LMI responsibilities for these programs include data collection and followup, preparation of the estimates, and the analysis, publication and delivery of data to the users.

Each of the four programs will be discussed in detail in future issues of Oregon Labor Trends.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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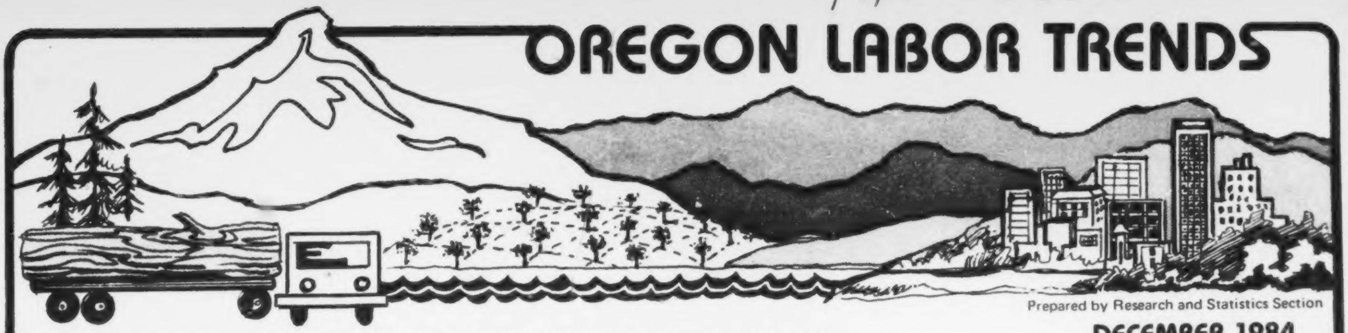


OREGON LABOR TRENDS

Prepared by Research and Statistics Section

DECEMBER 1984

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

NOVEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
Nov. 1984	9.0
Oct. 1984	9.2
Nov. 1983	9.6
U.S.	
Nov. 1984	7.2
Oct. 1984	7.4
Nov. 1983	8.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Nov. 1984	106.7
Oct. 1984	106.9
Sep. 1984	106.0
Aug. 1984	106.1
July 1984	105.7

DIFFUSION INDEX

Oregon	
Nov. 1984	47.3
Oct. 1984	53.9
Sep. 1984	51.6
Aug. 1984	55.8
July 1984	51.9

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Oct. 1984	38.6
Sep. 1984	40.2
Oct. 1983	39.6

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
Nov. 1984	304.8
Yearly Change	+ 3.7%
U.S.	
Nov. 1984	315.3
Yearly Change	+ 4.0%
Portland Hotline	221-4132

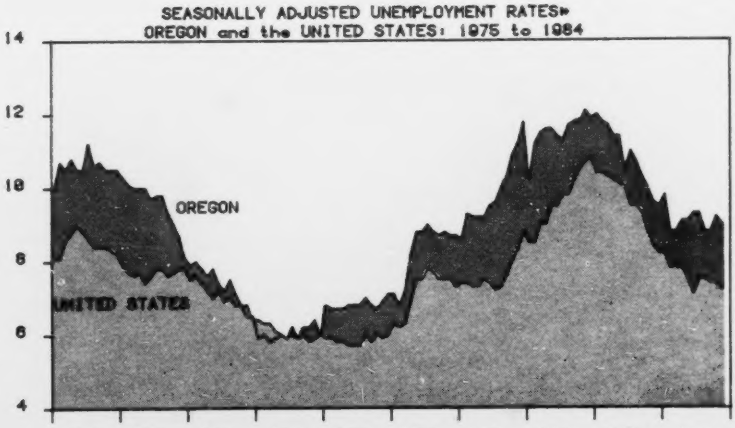
MONTHLY ECONOMIC ANALYSIS

Earl Fairbanks

It's common knowledge that Oregon's fall and winter is accompanied by fewer jobs and higher unemployment rates. Employment in crop harvesting, food processing, and other outdoor related activities plunges as temperatures drop and winter rains begin in earnest. This winter, as the job market tightened, some 11,000 men and women dropped out of Oregon's labor force. Such a decrease is not unusual, however. Many labor force dropouts choose to work only part of the year. For many families, seasonal work is a second family income, whether earned by a spouse or child. At least some of the dropouts leave the state because they know that Oregon is a tough place to be job hunting during the winter.

Not all workers, of course, drop out of the labor market after losing their jobs. In November, 118,900 jobless people were conducting a work search, 9,000 more than in October. But even this large increase in unemployed workers was about as expected based on historical trends. Thus the state's seasonally adjusted unemployment rate remained fairly steady, dropping only 0.2 of a point to 9.0%.

The count of nonfarm payroll jobs fell 9,500 in November, 1,600 more than seasonally expected. As a consequence, the employment index dipped 0.2 points to 106.7 and the diffusion index dropped to 47.3. This is the first time in 21 months that



RESIDENT OREGON LABOR FORCE

	Nov. 1984 1/	Oct. 1984 2/	Change	% Change	Nov. 1983 5/
Civilian Labor Force 3/	1,329,600	1,340,600	-11,000	-0.8	1,331,200
Unemployment	118,900	109,900	9,000	8.2	123,300
Percent of Labor Force	8.9	8.2	xxx	xxx	9.3
Seasonally Adjusted Percent	9.0	9.2	xxx	xxx	9.6
Total Employment 4/	1,210,700	1,230,700	-20,000	-1.6	1,207,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Nov. 1984 1/	Oct. 1984 2/	Nov. 1983	Change From Oct. 1984	Change From Nov. 1983
TOTAL 3/	1,008,300	1,017,800	982,400	-9,500	25,900
Wage & Salary Employment Index 4/	106.7	106.9	103.9	xxx	xxx
Diffusion Index 5/	47.3	53.9	59.7	xxx	xxx
Total Manufacturing	194,800	203,800	189,400	-9,000	5,400
Durable Goods	142,100	144,900	136,500	-2,800	5,600
Lumber & Wood Products	63,200	65,200	63,900	-2,000	- 700
Logging & Sawmills	32,300	33,900	32,500	-1,600	- 200
Veneer & Plywood	16,800	17,000	17,600	- 200	- 800
Millwork & Structural Wood	8,800	8,800	8,300	0	500
Mobile Homes	1,500	1,600	1,700	- 100	- 200
Other Wood Products	3,800	3,900	3,800	- 100	0
Furniture & Fixtures	2,300	2,200	2,300	100	0
Stone, Clay, Glass, & Concrete	3,000	3,300	3,100	- 300	- 100
Primary Metals	8,700	8,700	7,800	0	900
Blast Furnaces, Iron & Steel	5,200	5,200	3,900	0	1,300
Nonferrous Metals	3,500	3,500	3,900	0	- 400
Fabricated Metals	10,300	10,300	9,600	0	700
Fabricated Structural Metals	4,800	4,800	4,200	0	600
Other Fabricated Metals	5,500	5,500	5,400	0	100
Machinery	16,600	16,500	15,000	100	1,600
Electrical Equipment & Supplies	13,500	13,400	11,100	100	2,400
Transportation Equipment	7,400	8,100	7,100	- 700	300
Instruments & Related Products	14,500	14,500	14,200	0	300
Miscellaneous Manufacturing	2,600	2,700	2,400	- 100	200
Nondurable Goods	52,700	58,900	52,900	-6,200	- 200
Food & Kindred Products	22,700	28,600	23,000	-5,900	- 300
Canning & Preserving	12,300	18,000	12,500	-5,700	- 200
Other Food Products	10,400	10,600	10,500	- 200	- 100
Textile Mill Products	1,800	1,800	1,700	0	100
Apparel	2,700	2,700	2,500	0	200
Paper & Allied Products	8,700	8,700	9,300	0	- 600
Printing & Publishing	11,000	11,100	10,600	- 100	400
Chemicals & Allied Products	2,200	2,200	2,200	0	0
Petroleum Refining	500	600	500	- 100	0
Rubber & Plastic Products	2,700	2,800	2,600	- 100	100
Leather Products	400	400	500	0	- 100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Nov. 1984	Oct. 1984	Nov. 1983	Change From Oct. 1984	Change From Nov. 1983
(cont.)					
Total Nonmanufacturing	813,500	814,000	793,000	- 500	20,500
Mining & Quarrying	1,700	2,200	1,500	- 500	200
Construction	27,900	30,100	27,900	-2,200	0
Transportation, Communications, & Utilities	54,600	55,100	55,700	- 500	-1,100
Transportation	32,500	33,000	32,400	- 500	100
Railroad	5,200	5,300	5,200	- 100	0
Trucking & Warehousing	17,200	17,600	17,300	- 400	- 100
Other Transportation	10,100	10,100	9,900	0	200
Communications	13,800	13,800	14,900	0	-1,100
Utilities	8,300	8,300	8,400	0	- 100
Trade	257,200	255,400	250,800	1,800	6,400
Wholesale Trade	65,000	65,300	63,600	- 300	1,400
Durable Goods	37,300	37,600	37,100	- 300	200
Nondurable Goods	27,700	27,700	26,500	0	1,200
Retail Trade	192,200	190,100	187,200	2,100	5,000
General Merchandise	27,000	25,200	26,400	1,800	600
Food Stores	29,200	28,900	28,600	300	600
Auto Dealers & Service Stations	23,800	23,900	23,100	- 100	700
Other Retail Trade	112,200	112,100	109,100	100	3,100
Finance, Insurance, & Real Estate	66,700	67,200	65,500	- 500	1,200
Banking & Credit Agencies	23,200	23,200	23,500	0	- 300
Other Finance, Insurance, & Real Estate	43,500	44,000	42,000	- 500	1,500
Services	203,800	204,100	193,600	- 300	10,200
Hotels & Personal Services	23,900	24,200	22,600	- 300	1,300
Health Services	69,500	69,400	66,500	100	3,000
Other Services	110,400	110,500	104,500	- 100	5,900
Government	201,600	199,900	198,000	1,700	3,600
Federal Government	29,600	29,900	29,100	- 300	500
State Government	54,000	53,900	53,100	100	900
Education	23,900	23,600	23,200	300	700
Other State	30,100	30,300	29,900	- 200	200
Local Government	118,000	116,100	115,800	1,900	2,200
Education	76,600	74,600	74,500	2,000	2,100
Other Local	41,400	41,500	41,300	- 100	100
Labor-Management Disputes	900	900	1,400	0	- 500

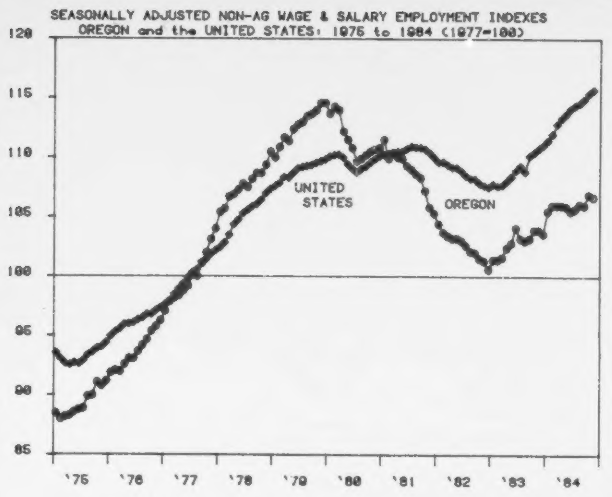
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



the index has found itself below 50.0. While the index has fluctuated from month to month throughout 1984, the general trend has been downward. The diffusion index is called a "leading indicator" because in the past its movement has preceded like movements in hiring trends. If past observations of this index hold true, look for a slowing employment expansion, if not an actual setback in the number of workers on the job in the next few months.

Still, November's payroll employment level was a whopping 25,900 over the year ago level, thanks to large gains made in the state's nonmanufacturing sectors. Over 15,000 more persons were employed in retail trade and services than last year. Even though manufacturing's gain of 5,400 seems anemic in comparison, this sector is enjoying the most employment in a November since 1980. The "high tech" machinery and electrical equipment industries accounted for 4,000 of this 5,400 annual gain. These industries combined for 30,100 employment in November compared to 26,100 last year.

Employment in lumber and wood products fell by 2,000, about as expected. Nearly two thirds of the loss came in the logging sector, while the rest of the industry pretty much held its own. Overall, lumber and wood employment is below a year ago, the first over-the-year loss since November 1982.

Although food products employment dropped by 5,900 over this month, November's job count was only 300 lower than a year ago. November's number of job holders was the fewest for a November since 1973. This industry is in the midst of some major structural changes. Consumer preference for frozen rather than canned foods is allowing processors to spread the workload more evenly throughout the year. Upon their arrival at the processing plant, foods are frozen in large containers until later in the winter when they can be broken down into marketable portions. In addition, much of the midwest and eastern markets have been lost to midwest producers who have lower transportation and labor costs.

Construction employment slid downward as 2,200 workers were dropped from the payrolls in November. The following table shows that, judging from November numbers, Oregon's construction industry never recovered. In fact, it has continued to lower its percentage of total wage and salary employment.

November Construction Employment

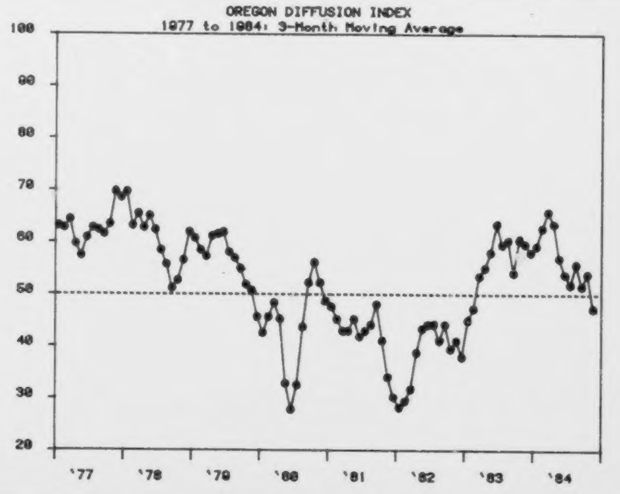
Year	Employed	% of Total
1984	27,900	2.8%
1983	27,900	2.8%
1982	27,400	2.9%
1981	35,000	3.4%
1980	44,500	4.3%
1979	55,400	5.2%
1978	51,500	5.1%

Most of the over-the-month loss in transportation, communication, and utilities was in trucking and warehousing. The yearly loss was entirely in communications, where the telephone sector has been tightening its belt.

The gain of 1,800 workers in retail and wholesale trade was just as expected. A loss of over 150 in machinery, equipment, and supplies pushed wholesale trade down 300. In contrast, retail trade employment gained 2,100 since the previous month and 5,000 since last December. There is always a buildup of retail trade employment during the winter holiday season.

The largest yearly gain was in services where renewed population in-migration has created demand for this diverse group that includes lodging, auto repair, health, education, and other services. This year's early snow at nearly all the state's ski resorts helped prevent as large an October-November employment drop as usual. As a result, hotels and lodging places lost only 250 employes, compared with nearly 600 last year.

Local education gained 2,000 employes since October. About 1,200 were added to community college payrolls and 800 to local school districts. Increases this size are normal for November, as student workers and other part-time job holders are placed on the rolls. □



1984 – YEAR IN REVIEW

Jeff Hannum

Although the pace of recovery continued to lag behind the national rate, Oregon's economy made further progress in 1984. Considering the severity of the 1980-82 recession in Oregon, however, the past year's performance was disappointing, especially for areas in the state most closely tied to the lumber and wood products, fishing, and agricultural industries.

As the year began, interest rates were stable, and projected to decline in 1984. Inflation was under control, and housing starts in the U.S. were strong. Consumers were in a spending mood, business investment was beginning to perk up, and the employment/unemployment picture was improving, both nationally and in Oregon. As a result, all of Oregon's major labor market indicators posted significant gains early in 1984. The seasonally adjusted unemployment rate declined from 9.8% in January to 8.8% in both February and March, reaching the lowest level in three years. Oregon's seasonally adjusted nonfarm wage and salary employment index showed strong gains in January and February, and the diffusion index jumped from 58.1 in December 1983 to 65.9 in March 1984. The diffusion index is a leading economic indicator which shows the percentage of a select group of 43 "bellwether" industries having an increase in seasonally adjusted employment. The average length of the manufacturing workweek was also higher in early 1984 than in the past several years, indicating that further hiring would likely occur later this year if production levels continued to improve. By spring, however, these indicators had reversed direction, and Oregon's recovery was temporarily stalled.

The Federal Reserve, worried that the U.S. economy might be starting to "overheat", leading to a resurgence of inflation, tightened monetary policy during the spring. As a result, interest rates rose and credit-sensitive activities such as housing and wood products manufacturing were hurt. In Oregon, lumber and plywood prices dropped sharply during the second quarter while mill inventories increased. Layoffs and some mill closures followed. Although wood product markets recovered partially during the second half of the year, prices for lumber and plywood were still unusually low considering the high level of U.S. housing starts this year - about 1.8 million.

In September, the Federal Reserve reversed its stance and began to encourage lower interest rates. Although this helped to ease one problem, other problems still remain. One of these is the rising volume of Canadian lumber imports, which now account for about 40% of the U.S. softwood lumber market. In this respect, Oregon's lumber and wood products industry is in the same boat as other U.S. manufacturing industries and agriculture, which are affected by international trade. High interest rates in the U.S., which are in part the result of record federal budget deficits, have helped to keep the dollar's foreign exchange value very high. While this keeps our overall inflation rate down, it also reduces U.S. exports, encourages imports, and, in the process, adversely affects job opportunities in some domestic industries.

Another problem which continued to face the wood products industry in 1984 was the burden of high cost federal timber contracts negotiated several years ago. Western Oregon mill owners have been trying for at least three years to get legislative relief. It finally arrived in October when the President signed a bill which allows the companies to return a significant portion of their timber by paying a penalty or "buy-out" fee. For some companies, the relief measure comes too late. For many others, however, it offers a new lease on life. For 1984 as a whole, wood products employment will average only two or three thousand higher than in 1983, despite very large over-the-year gains during the early months of 1984. January's employment in wood products, for example, was over 8,000 higher than January 1983. This year-to-year comparison narrowed throughout 1984, and by November had become an annual loss - the first in two years.

While the state's wood products industry was losing momentum during 1984, many of Oregon's other durable goods manufacturing industries were picking up steam. This diversified group of industries produces mainly capital goods and equipment, used by other firms. Typically, business investment spending rises after consumer spending has fueled the first stage of recovery. In 1983 housing and consumer durables spending provided the major stimulus to the economy. In 1984, these sectors continued to provide support, but the major new impetus came from domestic capital spending. Employment gains were most pronounced in electrical equipment and supplies, machinery, transportation equipment, primary and fabricated metals.

Two important durable goods sectors which did not fare as well were the "high tech" instruments and related products industry and aluminum manufacturing. The overvalued dollar adversely affected both of these industries. In addition, high production costs, especially for BPA electricity, has become a growing problem for northwest aluminum producers. When the price of ingot declines as it did in 1984, Oregon aluminum producers are among the first to curtail operations. Layoffs began last summer, and even a drop in the price of electricity last fall was not sufficient to restore all of these jobs. Martin Marietta Corporation's closure of its smelter at The Dalles in December ensures that the employment situation in this industry will continue to deteriorate, at least until a buyer for the smelter can be found.

While announcements of plant closures or layoffs in industries such as aluminum and wood products were common in 1984, they were often overshadowed by announcements of new companies, or existing companies, planning to build "high tech" manufacturing plants in Oregon. Many of these announcements were from major Japanese electronics firms which are coming to Oregon in part because of the Oregon legislature's decision last summer to eliminate the unitary tax method beginning January 1986. An important factor to note, however, regarding the 1984 list of "high tech" plant investments in Oregon is that virtually all of these plants will be located in the Portland area. Yet many of the plant closures announced in wood products, aluminum, or other industries will occur in non-metropolitan areas of the state like The Dalles, Toledo, Klamath Falls, and Gold Beach.

The new "high tech" investments will help to stimulate one industry which was hurt most by the 1980-82 recession - construction. Employment in the building industry was cut in half between 1979 (53,000) and 1983 (26,400). Construction remained depressed in 1984, with employment expected to average only slightly higher than in 1983. Residential building continued in the doldrums with the exception of the Portland area. Heavy construction has provided the most activity this year due to increased funding of highway and bridge projects.

In most other nonmanufacturing industries, employment gains during 1984 were low to moderate, but even this represented an improvement over 1983. Overall, nonmanufacturing employment is expected to average about 20,000 higher in 1984, with three-fourths of this increase coming in the trade and service industries. Although continued growth of consumers' real income was an important reason for this improvement, for this improvement, an additional factor was the turnaround in Oregon's population trend. Between 1981 and 1983, Oregon experienced significant outmigration, and total population declined in both years (-4,500 and -21,000). Preliminary estimates by the Portland State University Center for Population Research and Census indicate that between mid-1983 and mid-1984, Oregon's population increased by 25,000, and that net inmigration accounted for 7,000 of this gain. If this trend continues, it should mean faster growth rates in other nonmanufacturing sectors in 1985 and beyond.

In government, tight budgets and the trend toward contracting to private industry work which was formerly done by public employes kept employment gains to a minimum in 1984. The most significant employment decline in nonmanufacturing this year came in the communications industry, which is undergoing structural changes in the wake of the breakup of AT&T.

Since "tourism", or the "travel industry", is not an industry per se, but a collection of other industrial activities including lodging, restaurants, amusement/recreational services, transportation and others, it is harder to gauge the extent of improvement in employment terms. Based on visitor information counts and attendance at tourist attractions however, the travel "industry" in Oregon had another good year in 1984. Employment in restaurants, lodging places, and amusement/recreation services combined is expected to average about 1-2% higher this year.

In summary, Oregon's economy continued to recover during 1984, but the rate of improvement was slower than the nation's, and not all industries or regions of the state shared equally in the gains. In general, capital goods oriented industries, excluding lumber and wood products, fared best within manufacturing, while retail trade and services generated the greatest job growth in nonmanufacturing. Almost all of Oregon's 32 local labor market areas experienced some improvement in employment, coupled with lower unemployment, in 1984. The Portland area, with its diversified economy and concentration of "high tech" industry, however, was the major beneficiary.□

THE EMPLOYER'S CORNER

EMPLOYERS VOICE IN THE LEGISLATIVE PROCESS

Dorothy Monnier

The need to be involved with legislation that affects all employers becomes more apparent and more crucial each year. The Oregon Job Service Employer Committees (JSEC's) are taking their first big step in this direction.

AS EMPLOYERS . . .

Do YOU KNOW how to get enactment of new or revised state laws dealing with the general welfare of Oregon's citizens?

Do YOU KNOW the steps a bill must go through before it becomes a state law?

Do YOU KNOW a direct line to call to get updated information on bills before the state legislature?

Do YOU WANT to have input into a bill before passage?

BECOME INFORMED AND INVOLVED

The Oregon Job Service Employer Committees are establishing a legislative information committee to work with local legislators. This committee will provide updated information to all JSEC members and will work with legislators and other employer groups to insure vital action on bills that concern employers.

We are providing YOU the opportunity to have a voice in state government. If you want to protect your rights and protect/save your company money, BECOME INVOLVED in JSEC.

Contact your nearest State Employment Division manager and become a JSEC member.□

HOURS AND EARNINGS

Mike Staten

Average weekly earnings for manufacturing industries in October fell $17.30. Although durable and nondurable goods industries both registered losses, the bulk came in durable goods production. Logging and sawmills and fabricated metals were the primary industries contributing to this situation. Seasonal declines, layoffs, and reduced overtime hours pushed the numbers down in logging and sawmills; average weekly hours fell by 1.6 between September and October and 2.1 over the year. A large reduction in overtime hours for fabricated structural metals products was a principal force in pushing the average weekly hours down .6 in fabricated metals.

A decline of 1.8 in the average weekly hours for nondurable goods occurred almost exclusively as the result of canning and preserving losses. These losses stemmed from an average 4.3 hours per week reduction, the outcome of a 40,000 hours drop in overtime.

A substantial slowing in heavy construction activities, with the onset of adverse weather conditions, pushed average weekly hours in this sector down 8.5, construction workers down 600, and average weekly earnings down $138. With few changes in other construction sectors, a drop of nearly $50 in average weekly earnings resulted.

Comparing October's performance with the same month last year shows virtually no change overall for total manufacturing. While there were fluctuations within industries over the year, perhaps the most important comparison will be between the 1983 and 1984 annual averages. This comparison will be fine tuned within two or three months and, coupled with specific monthly changes, will provide grounds for a better analysis of the health of Oregon's hours and earnings in 1984.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct. 2/ 1984	Sep. 3/ 1984	Oct. 1983	Oct. 2/ 1984	Sep. 3/ 1984	Oct. 1983	Oct. 2/ 1984	Sep. 3/ 1984	Oct. 1983
TOTAL MANUFACTURING 4/	$397.97	$415.27	$398.77	38.6	40.2	39.6	$10.31	$10.33	$10.07
Durable Goods	418.15	436.97	425.14	39.3	40.8	40.8	10.64	10.71	10.42
Lumber & Wood Products	439.04	453.86	445.67	39.2	40.2	41.0	11.20	11.29	10.87
Logging & Sawmills	467.64	492.47	477.92	39.1	40.7	41.2	11.96	12.10	11.60
Veneer & Plywood	450.06	456.85	451.00	40.4	40.9	41.3	11.14	11.17	10.92
Millwork & Struct Wood	336.66	335.62	348.94	38.3	38.4	41.1	8.79	8.74	8.49
Mobile Homes	273.88	257.54	268.60	33.4	32.6	36.2	8.20	7.90	7.42
Other Wood Products	436.87	447.12	429.47	39.5	40.5	40.1	11.06	11.04	10.71
Furniture & Fixtures	308.56	290.88	255.75	38.0	36.0	33.0	8.12	8.08	7.75
Primary Metals	478.58	478.61	523.38	41.4	41.8	42.9	11.56	11.45	12.20
Fabricated Metals	389.46	402.99	386.00	39.3	39.9	40.0	9.91	10.10	9.65
Machinery	414.96	426.36	399.91	39.9	40.8	39.4	10.40	10.45	10.15
Nondurable Goods	347.39	358.21	337.64	36.8	38.6	36.9	9.44	9.28	9.15
Food & Kindred Products	279.10	295.30	278.42	35.6	38.5	36.3	7.84	7.67	7.67
Canning & Preserving	235.28	259.07	231.34	34.6	38.9	35.7	6.80	6.66	6.48
Other Food Products	391.43	392.77	392.64	38.3	37.3	37.9	10.22	10.53	10.36
Textile Mill Products	214.68	219.83	205.21	35.9	36.7	34.9	5.98	5.99	5.88
Apparel	204.06	207.75	208.66	36.9	37.5	37.8	5.53	5.54	5.52
Paper & Allied Products	585.19	583.11	524.50	42.1	41.8	39.2	13.90	13.95	13.38
Printing & Publishing	404.95	433.16	398.11	35.0	36.4	35.2	11.57	11.90	11.31
Construction 4/	491.04	540.54	526.26	34.1	37.8	35.8	14.40	14.30	14.70
Communications & Utilities 5/	491.67	512.93	478.92	40.4	41.1	39.0	12.17	12.48	12.28
Trade 5/	283.05	291.89	283.71	33.3	34.3	34.1	8.50	8.51	8.32
Wholesale Trade	385.40	391.23	391.02	37.6	37.8	38.0	10.25	10.35	10.29
Retail Trade	233.38	243.85	232.81	31.2	32.6	32.2	7.48	7.48	7.23
Banking & Insurance	273.55	277.03	262.99						
State & Local Government	328.02	341.71	322.16						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

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SPECIAL REPORTS

The following special reports were released by the Labor Market Information unit during 1984:

Affirmative Action Data Packets
Economic Survey Analysis
Oregon Occupational Wage Information, 1983
Oregon Careers 1984-85
Occupational Employment Trends in Oregon 1982-1990
Users' Guide to Oregon Careers ☐

OREGON LABOR TRENDS

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Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JANUARY 1985

DECEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj.)
Dec.	1984	8.6
Nov.	1984	9.0
Dec.	1983	9.5
U.S.		
Dec.	1984	7.2
Nov.	1984	7.1
Dec.	1983	8.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon		1977=100
Dec.	1984	107.0
Nov.	1984	106.7
Oct.	1984	106.9
Sep.	1984	106.0
Aug.	1984	106.1

DIFFUSION INDEX

Oregon		
Dec.	1984	55.8
Nov.	1984	48.8
Oct.	1984	53.9
Sep.	1984	51.6
Aug.	1984	55.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Nov.	1984	38.5
Oct.	1984	38.8
Nov.	1983	38.9

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA	
Nov. 1984	304.8
Yearly Change	+ 3.7%
U.S.	
Nov. 1984	315.5
Yearly Change	+ 4.0%
Portland Hotline	221-4132

MONTHLY ECONOMIC ANALYSIS

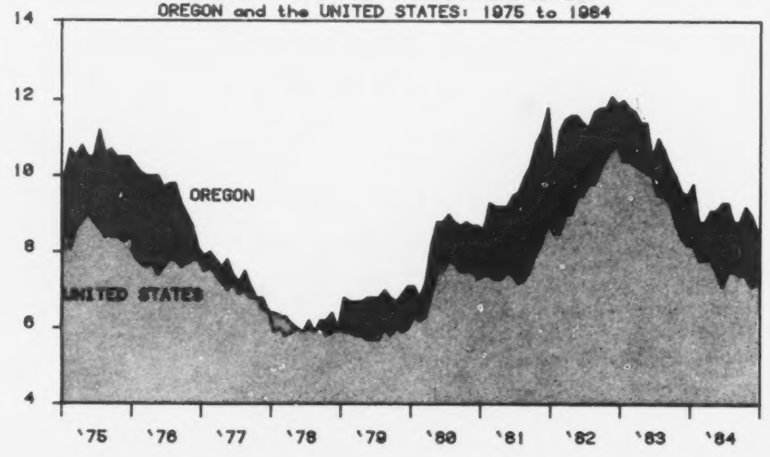
Gary Barker

Oregon exited 1984 on a positive note, which was not a bad way to wrap up the year of Mr. Orwell's concern. The state's seasonally adjusted unemployment rate dipped to 8.6% in December, the lowest figure recorded since January 1981. Though rising to 124,500, the jobless count did not spring up as much as seasonal trends would dictate. Equally favorable was the count of the employed. The nonfarm wage and salary employment index hit 107.0 for a gain of .3 over the month. December's statistics reflect a continuation of the moderate-to-good business climate felt throughout the year in most major metropolitan areas of the state.

The national economic picture changed little in December, with the civilian unemployment rate moving to 7.2% from 7.1% in November. Severe weather in selected areas of the nation slowed some industrial activity, but overall the U.S. economic picture remained favorable.

The most notable change among Oregon's December statistics was the resurgence of the diffusion index. Acting as one of the best advance warning or lead indicators of shifts in the economic cycle, the diffusion index dropped to the year's low in November - a worrisome 48.8. The track record of the index shows that an economic slowing may be imminent when the diffusion index falls below the 50.0 mark for a period of several months. December, however, found the indicator bounding back to 55.8, the single largest over the month increase in the index in nearly two years.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



*Civilian Labor Force Only

RESIDENT OREGON LABOR FORCE

	1/ Dec. 1984	2/ Nov. 1984	Change	% Change	5/ Dec. 1983
Civilian Labor Force 3/	1,323,500	1,330,200	- 6,700	-0.5	1,327,800
Unemployment	124,500	119,000	5,500	4.6	131,600
Percent of Labor Force	9.4	8.9	xxx	xxx	9.9
Seasonally Adjusted Percent	8.6	9.0	xxx	xxx	9.5
Total Employment 4/	1,199,000	1,211,200	-12,200	-1.0	1,196,200

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Dec. 1984	2/ Nov. 1984	Dec. 1983	Change From Nov. 1984	Change From Dec. 1983
TOTAL 3/	1,004,100	1,008,800	976,400	-4,700	27,700
Wage & Salary Employment Index 4/	107.0	106.7	103.6	xxx	xxx
Diffusion Index 5/	55.8	48.8	58.1	xxx	xxx
Total Manufacturing	193,000	195,900	186,300	-2,900	6,700
Durable Goods	141,600	142,800	135,600	-1,200	6,000
Lumber & Wood Products	62,500	63,700	63,200	-1,200	- 700
Logging & Sawmills	31,900	32,800	31,900	- 900	0
Veneer & Plywood	16,600	16,800	17,400	- 200	- 800
Millwork & Structural Wood	8,800	8,800	8,400	0	400
Mobile Homes	1,300	1,500	1,700	- 200	- 400
Other Wood Products	3,900	3,800	3,800	100	100
Furniture & Fixtures	2,300	2,300	2,200	0	100
Stone, Clay, Glass, & Concrete	2,900	3,100	2,900	- 200	0
Primary Metals	8,600	8,700	8,000	- 100	600
Blast Furnaces, Iron & Steel	5,200	5,200	4,100	0	1,100
Nonferrous Metals	3,400	3,500	3,900	- 100	- 500
Fabricated Metals	10,300	10,400	9,300	- 100	1,000
Fabricated Structural Metals	4,900	4,900	4,000	0	900
Other Fabricated Metals	5,400	5,500	5,300	- 100	- 100
Machinery	16,400	16,500	15,000	- 100	1,400
Electrical Equipment & Supplies	13,500	13,600	11,300	- 100	2,200
Transportation Equipment	7,900	7,400	7,000	500	900
Instruments & Related Products	14,600	14,500	14,300	100	300
Miscellaneous Manufacturing	2,600	2,600	2,400	0	200
Nondurable Goods	51,400	53,100	50,700	-1,700	700
Food & Kindred Products	21,300	23,200	20,400	-1,900	900
Canning & Preserving	11,000	12,800	10,300	-1,800	700
Other Food Products	10,300	10,400	10,100	- 100	200
Textile Mill Products	1,800	1,800	1,800	0	0
Apparel	2,600	2,600	2,600	0	0
Paper & Allied Products	9,100	8,700	9,500	400	- 400
Printing & Publishing	11,000	11,000	10,600	0	400
Chemicals & Allied Products	2,200	2,200	2,200	0	0
Petroleum Refining	300	500	500	- 200	- 200
Rubber & Plastic Products	2,600	2,700	2,600	- 100	0
Leather Products	500	400	500	100	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Dec. 1984	Nov. 1984	Dec. 1983	Change From	
				Nov. 1984	Dec. 1983
(cont.)					
Total Nonmanufacturing	811,100	812,900	790,100	-1,800	21,000
Mining & Quarrying	1,700	1,700	1,600	0	100
Construction	27,100	28,300	25,500	-1,200	1,600
Transportation, Communications, & Utilities	54,200	54,400	55,500	- 200	- 1,300
Transportation	32,200	32,300	32,200	- 100	0
Railroad	5,200	5,200	5,100	0	100
Trucking & Warehousing	17,000	17,100	17,100	- 100	- 100
Other Transportation	10,000	10,000	10,000	0	0
Communications	13,700	13,800	14,900	- 100	- 1,200
Utilities	8,300	8,300	8,400	0	- 100
Trade	258,800	257,200	252,400	1,600	6,400
Wholesale Trade	65,000	64,900	62,900	100	2,100
Durable Goods	37,500	37,400	36,900	100	600
Nondurable Goods	27,500	27,500	26,000	0	1,500
Retail Trade	193,800	192,300	189,500	1,500	4,300
General Merchandise	27,200	26,800	27,800	400	- 600
Food Stores	29,400	29,200	28,700	200	700
Auto Dealers & Service Stations	23,700	23,600	22,900	100	800
Other Retail Trade	113,500	112,700	110,100	800	3,400
Finance, Insurance, & Real Estate	66,900	66,900	65,500	0	1,400
Banking & Credit Agencies	23,200	23,200	23,600	0	- 400
Other Finance, Insurance, & Real Estate	43,700	43,700	41,900	0	1,800
Services	202,000	202,300	193,700	- 300	8,300
Hotels & Personal Services	23,300	23,700	22,300	- 400	1,000
Health Services	69,000	69,200	66,600	- 200	2,400
Other Services	109,700	109,400	104,800	300	4,900
Government	200,400	202,100	195,900	-1,700	4,500
Federal Government	30,100	29,900	29,200	200	900
State Government	52,800	54,000	51,800	-1,200	1,000
Education	23,200	23,900	22,700	- 700	500
Other State	29,600	30,100	29,100	- 500	500
Local Government	117,500	118,200	114,900	- 700	2,600
Education	76,500	76,800	74,000	- 300	2,500
Other Local	41,000	41,400	40,900	- 400	100
Labor-Management Disputes	600	900	1,400	- 300	- 800

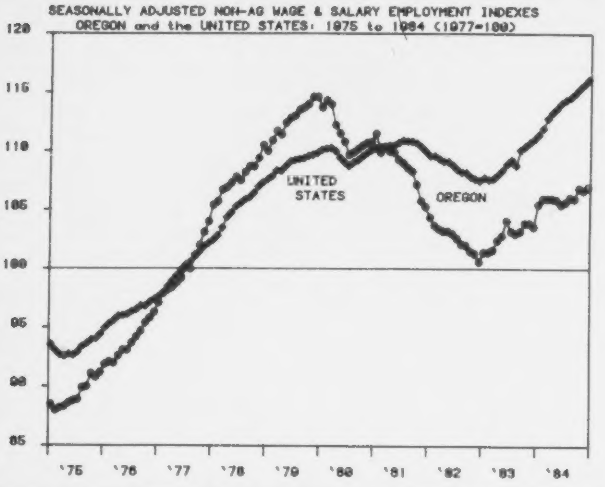
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



No real economic change was expected or evident in the December statistics. Overall nonfarm wage and salary employment declined during the month. Edging down toward the million mark, December's nonfarm employment was 1,004,100, a reduction of 4,700 from the 1,008,800 shown in November. More importantly, the employment counts are higher than last year (27,700 above December '83) and the year before (55,800 above December '82).

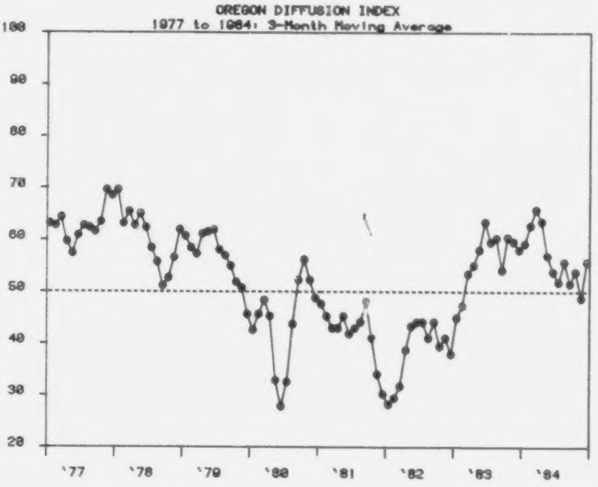
Weather in Oregon during the December mid-month survey period was mostly decent, and that good fortune was reflected in the employment counts. Two industries most susceptible to changes in the weather, lumber and wood products and construction, each showed a reduction of 1,200 workers between November and December. Yet once the influence of normal seasonal movement was extracted from the data, these bellwether industries showed modest December gains. Lumber and wood employers continued on their course, eyeing the timber relief bill for some help. The construction sector, meanwhile, was still buoyed to some degree by roadwork, while home building activity remained sluggish.

Elsewhere in manufacturing, employment moved down for the most part, but likewise showed strength in light of normal seasonal expectations. Activity resulting from ship repair contracts, the settlement of a labor dispute, and the packaging of edibles all contributed to the trend.

Trade is certainly the focal point of any December hiring in Oregon due to holiday sales activity in the retail sector. Among the specific industries where most of the extra help is required (i.e. department stores, apparel stores, etc.), historical trends show that Oregon averages approximately 5,000 additional workers over the holiday period. The count in 1984 held at a respectable 4,500. The year checked out as a good one for holiday hiring, but certainly not a banner year. Although employers were somewhat restrained in hiring additional workers, they did post success through bargain prices and aggressive sales activity. As a result, the dollar volume was probably not changed too much from last year and employment was just slightly under par, but the volume of goods sold was substantial.

Elsewhere in nonmanufacturing, the largest change was in government, where 1,700 fewer employees were reported. A brief lull between school quarters accounted for the majority of that change. Similarly in the noneducation portion of government a temporary hiring lull followed the cessation of outdoor work prior to the start of the legislative session and tax season.

In summary, the Oregon economy performed well in December, just as it did throughout 1984. By year's end the unemployment rate had subsided to 8.6% (seasonally adjusted), well below the 9.4% average expected for the year. And the 1984 average is significantly below that of 1983 (10.8%). Nonfarm employment pushed over the million mark the last few months and will average about 994,000 for the year. That, too, is up significantly (+30,400) from 1983. Selected areas of the state still have a long ways to go, particularly those less populated areas dependent on the wood products industry. Yet for the state generally, the economic climate has shown steady improvement.□



OLDER WORKERS: WE NEED THEM NOW AND WE NEED THEM FOR THE FUTURE

According to a 1981 survey by Data Resources, Inc., we will have an increase of 6.3 million older workers in the workforce by the year 2005. As the pool of younger workers decreases, older workers will play an even more vital role in the U.S. economy.

An increasing number of employers are now beginning to recognize that mature workers, in the age group 55 and over, represent a valuable resource rich in individual ability and experience.

For the purpose of dispelling myths associated with aging and to establish better understanding and cooperation between employment program services and private industry, employers and program staff are being invited to participate in a one day conference from 8:30 a.m. to 4:30 p.m. on March 8, 1985 at the Airport Sheraton in Portland, where they will be asked to lend their expertise in an effort to develop new and more effective methods of marketing the mature job seeker. There is no charge; however, you must pre-register for this conference by phoning the Senior Services Division, 378-3751 or the Intergovernmental Relations Division, 378-3732.□

ECONOMIC OUTLOOK – 1985

Jeff Hannum

During the last two years of recovery, Oregon's economy managed to recoup only a third of the nearly 100,000 nonfarm jobs lost in the 1980-82 recession period. Although the remaining job deficit will not be erased in 1985, Oregon's economy will continue to expand in the year ahead. As in 1984, however, the rate of improvement is expected to be slow, and not all industries or regions of the state will share equally in the gains.

The backdrop for Oregon's 1985 outlook is a national economy which grew rapidly in 1983 and the first half of 1984, but has slowed since last summer. This partly reflects a natural maturing of the business expansion as both consumers and business firms begin to ease up on spending for consumer durable goods and business inventories. But it also reflects last spring's credit tightening by the Federal Reserve, which caused interest rates to surge upward during the spring and summer months. Although the FED later reversed its policy and began to encourage lower rates and faster money growth last fall, the national economy is still trying to shake out of the doldrums it entered last summer.

One more factor which has reinforced the slowdown, or "growth recession" as some call it, and which continues to inhibit the recovery, is the soaring U.S. trade deficit. Normally, in the early stages of recovery our imports increase more rapidly than our exports. As the business recovery matures and begins to spread overseas, this situation is reversed, and U.S. exports expand faster than imports. This eventually leads to more jobs in export-related industries. A major problem now is that the extraordinary strength of the dollar is encouraging a rising tide of imports while making our exports too expensive for many overseas buyers. Although the dollar's record strength has helped to keep our inflation rate low, it has inhibited job creation in import-sensitive and export-related industries.

One of the main reasons for the dollar's strength in relation to other currencies is the high level of real, or inflation adjusted, interest rates in the U.S. These rates are exceptionally high because of:

1) huge credit demands, especially by the federal government with its nearly $200 billion annual budget deficits, and
2) a fairly tight monetary policy by the Federal Reserve, which puts a higher priority on controlling inflation than on bringing down interest rates.

Since Oregon's economy is very interest rate-sensitive and is also heavily dependent on foreign trade, how well the state's economy fares in 1985 and beyond will be significantly affected by national and even international developments.

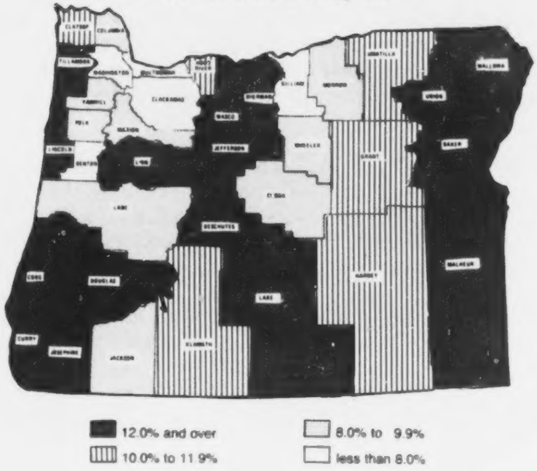
Oregon's outlook for continued, moderate growth in 1985 is based upon a number of assumptions. National fiscal policy will continue to be stimulative, despite the efforts of Congress and the Administration to cut federal spending and perhaps even raise taxes. Oregon, though, will not benefit much from this stimulus because the mix of federal spending will continue to shift toward defense-related programs, and away from domestic programs which help to boost housing construction and farm incomes. In addition, the huge federal budget deficit expected this year will virtually assure that the Federal Reserve will keep a tight rein on money supply growth, and that interest rates will stay relatively high. This also means that the dollar will continue to be overvalued in relation to other currencies. The result will be continued weakness in Oregon industries like agriculture, and even the lumber industry, which are heavily affected by foreign trade. One side benefit of the strong dollar will be a continuation of low inflation during 1985 in the 4-5% range.

It remains to be seen whether the recent drop in both short and long term interest rates will last throughout 1985. Even though many analysts expect rates to move higher again before the end of the year, recent declines will help the housing and wood products industries. Housing starts in the U.S. during 1984 reached 1.74 million. The number of homes started in 1985 will probably decline, but not by much. Although the demand for lumber and wood products should hold up fairly well in 1985, employment in the industry is expected to drop nearly 5%, due to continued competition from other areas, especially Canada, and a host of other problems. The difficulty in maintaining adequate profit levels due to excess capacity, low market prices for lumber and plywood, and high costs for logs and other resources will continue to plague the industry and cause mill closures in 1985. Recent federal legislation allowing partial relief from uneconomical federal timber contracts negotiated in the late '70s and early '80s will help some companies survive. For others, however, it will be too little, too late.

Employment declines are also expected to occur in the aluminum and food products industries during 1985. High costs in the aluminum industry, particularly for electricity, were largely responsible for the closure of Martin Marietta's smelter in The Dalles in December.

A bright spot for Oregon in 1985, however, will be continued growth in many of the other capital goods-oriented manufacturing industries including machinery, fabricated metals and some of the high technology industries. Although growth in these sectors will in most cases be less dramatic than in 1984, it should be sufficient to at least offset the job losses in lumber and plywood, aluminum manufacturing and food products. A major problem, though, will be that most of the jobs lost will be in high wage industries located in nonmetropolitan areas of Oregon, while the majority of the new jobs will be created in the Portland area. In recent months there have been at least 10 announcements of major new "high-tech" plant investments in Oregon that are expected to create over 6,000 construction jobs and over 4,000 direct factory jobs over the next few years. All of these new plants or plant expansions will be located in the Portland area.

State of Oregon
Unemployment Rates by Area



An exception to this pattern will be in fabricated metals. In recent months, several large contracts were awarded to firms in Coos Bay and Astoria, as well as in Portland, to construct oil drilling and processing modules for the Alaska north slope. Much of this work will be performed in 1985.

While the total number of manufacturing jobs in Oregon is not expected to change much between 1984 and 1985, total nonmanufacturing employment will continue to expand at a moderate pace. The construction industry will finally begin to grow a little faster as residential, commercial and industrial building activity pick up and heavy construction remains strong. Employment in the building industry, however, will still lag far behind the levels reached in 1979, as well as the recession years of 1980 and 1981.

As in previous years, retail trade and the various service industries will exhibit the most employment growth. Factors behind these expected gains include a healthy level of consumer spending, another good year for tourism, and a continuation of population growth including net-in-migration to Oregon. Even Oregon's government sector should see a pickup in hiring during 1985, reflecting further population growth, revenue increases (from lottery ticket sales and further economic expansion, for example), and the 1985 legislative session.

Prospects for Oregon's agricultural industry in 1985, however, do not look very promising. Changes in federal farm policies aimed at cutting the budget deficit and encouraging greater reliance on market forces are likely to reduce farm incomes. Large surpluses of some commodities, such as wheat, mean continued low market prices, and export sales of Oregon farm products will be hurt by the strong dollar. Declining land prices, low farm incomes, and relatively high interest rates will make it difficult for many farmers and ranchers to operate profitably.

	December 1984			
	Civilian Labor Force	Total Employment	Unempl.	Rate
STATE OF OREGON	1,323,500	1,199,000	124,500	9.4
Eugene MSA 1/	132,200	119,100	13,100	9.9
Medford MSA 2/	66,410	59,900	6,510	9.8
Portland MSA 3/	660,400	611,100	49,300	7.5
Salem MSA 4/	122,600	111,500	11,100	9.1
Baker	7,180	6,160	1,020	14.2
Benton	34,390	32,420	1,970	5.7
Clatsop	15,680	14,110	1,570	10.0
Columbia	15,760	14,490	1,270	8.1
Coos	27,320	23,110	4,210	15.4
Crook	5,830	5,260	570	9.8
Curry	7,360	5,840	1,520	20.7
Deschutes	33,490	29,470	4,020	12.0
Douglas	41,800	36,060	5,740	13.7
Gilliam	800	740	60	7.5
Grant	3,480	3,100	380	10.9
Harney	3,420	3,050	370	10.8
Hood River	8,280	7,380	900	10.9
Jefferson	5,380	4,690	690	12.8
Josephine	24,230	21,110	3,120	12.9
Klamath	26,960	23,940	3,020	11.2
Lake	3,660	3,200	460	12.6
Lincoln	19,160	16,840	2,320	12.1
Linn	38,290	33,250	5,040	13.2
Malheur	12,210	10,700	1,510	12.4
Morrow	4,910	4,480	430	8.8
Tillamook	9,300	8,100	1,200	12.9
Umatilla	28,110	25,050	3,060	10.9
Union	11,520	10,140	1,380	12.0
Wallowa	3,980	3,500	480	12.1
Wasco-Sherman	12,690	10,800	1,890	14.9
Wheeler	520	470	50	9.6
Yamhill	29,260	26,400	2,860	9.8

1/ Lane County
2/ Jackson County
3/ Clackamas, Multnomah, Washington, and Clark Counties
4/ Marion and Polk Counties

The net result for Oregon should be a year of slow, but continued economic growth. Nonfarm wage and salary employment is expected to rise by 20,000-25,000, and be confined largely to the nonmanufacturing sector of the economy. Oregon's unemployment rate is not likely to decline very much from last year's average of about 9.4%, but some modest improvement is expected in this key indicator. The economic recovery will continue to be imbalanced, however, with the Portland area benefiting the most, and nonmetropolitan areas which are heavily dependent on wood products manufacturing and agriculture benefiting the least, if at all.□

HOURS AND EARNINGS

Mike Staten

There was little change in Oregon's hours and earnings data between October and November; average weekly earnings for total manufacturing rose only $3.08. Durable goods industries posted an average loss of $4.88 per week, while nondurable goods industries increased an average of $16.37. On the durable goods side, the average logging and sawmills workweek dropped to 38.2 hours as the winter slowdown began. Primary metals boosted its workweek by an average of 1.2 hours, but fell short of November 1983 by .6 hour. Machinery fell by $7.00 in average weekly earnings, due primarily to a reduction of .8 hour in the workweek reflecting less overtime worked.

Increases in average weekly earnings for nondurable goods industries were noted in all sectors except canning & preserving and apparel. Declines in canning & preserving were normal for the month as seasonal activities continued to wind down. Apparel's average drop of .9 hours per week was the result of a 25% decrease in the amount of overtime worked. A jump in overtime for paper products boosted average hourly earnings by 24¢ in that industry.

Construction activity continued to slow (chiefly heavy construction), with a resultant drop of 1.1 average weekly hours. The number of hours in the average workweek for trade fell by .5, but there were 4,000 more workers than in October.

On a year-to-year basis, average weekly earnings declined by $5.63 in the construction industry. In trade, employment rose strongly over the year and average weekly earnings climbed $1.65. Despite an employment loss in communications and utilities, due in large part to the AT&T divestiture, average earnings rose nearly $12 a week.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov. 2/ 1984	Oct. 3/ 1984	Nov. 1983	Nov. 2/ 1984	Oct. 3/ 1984	Nov. 1983	Nov. 2/ 1984	Oct. 3/ 1984	Nov. 1983
TOTAL MANUFACTURING 4/	$401.17	$398.09	$401.06	38.5	38.8	38.9	$10.42	$10.26	$10.31
Durable Goods	414.22	419.10	415.26	39.3	39.5	39.7	10.54	10.61	10.46
Lumber & Wood Products	430.29	441.28	424.93	38.8	39.4	39.2	11.09	11.20	10.84
Logging & Sawmills	450.76	468.83	452.37	38.2	39.2	39.2	11.80	11.96	11.54
Veneer & Plywood	451.47	450.77	429.63	40.6	40.5	39.2	11.12	11.13	10.96
Millwork & Struct Wood	349.44	346.92	338.40	39.0	39.2	40.0	8.96	8.85	8.46
Mobile Homes	283.03	267.52	276.61	34.1	32.0	35.6	8.30	8.36	7.77
Other Wood Products	418.62	430.42	421.40	38.3	39.2	39.2	10.93	10.98	10.75
Furniture & Fixtures	303.53	310.02	264.19	37.8	37.9	34.9	8.03	8.18	7.57
Primary Metals	500.98	478.58	517.10	42.6	41.4	43.2	11.76	11.56	11.97
Fabricated Metals	391.61	390.66	382.14	39.2	39.5	39.6	9.99	9.89	9.65
Machinery	405.67	412.67	402.58	39.5	40.3	39.2	10.27	10.24	10.27
Nondurable Goods	363.45	347.08	360.88	36.2	37.2	36.6	10.04	9.33	9.86
Food & Kindred Products	289.51	282.00	293.41	33.9	36.2	34.6	8.54	7.79	8.48
Canning & Preserving	225.36	236.86	221.54	31.3	35.3	32.2	7.20	6.71	6.88
Other Food Products	399.09	395.40	407.04	38.3	38.5	38.4	10.42	10.27	10.60
Textile Mill Products	227.62	214.68	216.08	38.0	35.9	37.0	5.99	5.98	5.84
Apparel	196.93	204.79	212.60	36.2	37.1	38.1	5.44	5.52	5.58
Paper & Allied Products	588.64	582.83	549.70	41.6	41.9	40.9	14.15	13.91	13.44
Printing & Publishing	418.40	400.37	408.54	36.1	35.4	35.9	11.59	11.31	11.38
Construction 4/	465.53	484.61	471.16	32.6	33.7	31.9	14.28	14.38	14.77
Communications & Utilities 5/	509.18	498.80	497.24	40.8	40.0	40.1	12.48	12.47	12.40
Trade 5/	278.85	283.41	277.20	33.0	33.5	33.6	8.45	8.46	8.25
Wholesale Trade	377.21	384.05	369.20	37.2	37.8	36.7	10.14	10.16	10.06
Retail Trade	233.12	235.62	232.73	31.0	31.5	32.1	7.52	7.48	7.25
Banking & Insurance	273.91	273.35	357.61						
State & Local Government	323.49	325.75	320.84						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

OOICC PROMOTES USES OF LABOR MARKET INFORMATION

NANCY HARGIS

Helping Oregonians to access and use labor market information resources is the mission of the Oregon Occupational Information Coordinating Committee (OOICC). Composed of representatives from 21 state and local organizations, OOICC brings together producers and users of labor market information to determine their needs and the availability of resources. Primary data producers include the Employment Division's Research and Statistics section, the Career Information System and educational agencies that produce enrollment, completion and demographic data on students. Among the major users of occupational information are education and training planners, program administrators, economic forecasters, policy makers, economic developers, counselors, placement staff and individuals--youth and adults--making career decisions.

OOICC is part of a nationwide network created by the Education Amendments of 1976 and continued in subsequent CETA, JTPA and vocational education legislation. In establishing this network, Congress recognized the need to improve the quality, relevance and dissemination of labor market information and to reduce unnecessary duplication of effort among data producers.

Among OOICC's responsibilities are:

1) establishing policies for the Occupational Program Planning System which develops occupational demand/supply analyses,

2) advising the Governor and Legislature on current occupational information issues,

3) training state and local data users on labor market concepts and resources, and

4) conducting research and development activities.

Since 1978, OOICC has sponsored research on such diverse topics as identifying new and changing occupations, assessing the occupational characteristics of new Oregon residents, and reviewing the applicability of popular aptitude and interest tests to disadvantaged youth. During 1985, OOICC will update the new and changing occupations study, revise the Directory of Occupational and Educational Information Sources, and assist the Career Information System in integrating military occupational and training data into their files.

For further information on OOICC, contact Nancy Hargis, Executive Secretary, OOICC, 875 Union Street NE, Salem, OR 97310, or phone (503)-378-8146.□

EMPLOYER'S CORNER

JAYNE MARTIN

REMEMBER -- A NEW COMPUTERIZED EMPLOYER REPORTING PROCESS BEGINS APRIL 1, 1985

The October 1984 issue of Oregon Labor Trends announced that an Optical Character Reader (OCR) will be used to process Employer Tax Reports in 1985.

In November 1984, 1,600 test packets of the quarterly payroll reports were sent to various employers. We asked them to voluntarily assist us by completing the report forms as they normally would. We wanted to test the form and insure that it would be easy to complete and be "readable" by the OCR. The OCR can only read typewritten or mechanically printed forms that are in the same format as the forms provided. Over 50% of the employers responded to our request, giving us many positive comments and valuable suggestions for improving the form.

In February we will send a letter to all Oregon employers, telling them of our plans to convert to OCR processing. We will mail the redesigned forms to employers in March. In April, when we begin to process these reports, the program should run efficiently, thanks to the cooperation and input from the employers included in our test samples.

If you have any questions please call 378-3228.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

FEBRUARY 1985

JANUARY INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
Jan. 1985	8.1
Dec. 1984	8.8
Jan. 1984	9.1
U.S.	
Jan. 1985	7.4
Dec. 1984	7.2
Jan. 1984	8.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Jan. 1985	109.5
Dec. 1984	108.5
Nov. 1984	108.1
Oct. 1984	108.1
Sep. 1984	107.5

DIFFUSION INDEX

Oregon	
Jan. 1985	56.6
Dec. 1984	55.4
Nov. 1984	49.2
Oct. 1984	55.5
Sep. 1984	52.4

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Dec. 1984	39.8
Nov. 1984	38.4
Dec. 1983	39.4

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA	
Jan. 1985	306.8
Yearly Change	+ 4.0%
U.S.	
Jan. 1985	316.1
Yearly Change	+ 3.6%
Portland Hotline	221-4132

MONTHLY ECONOMIC ANALYSIS

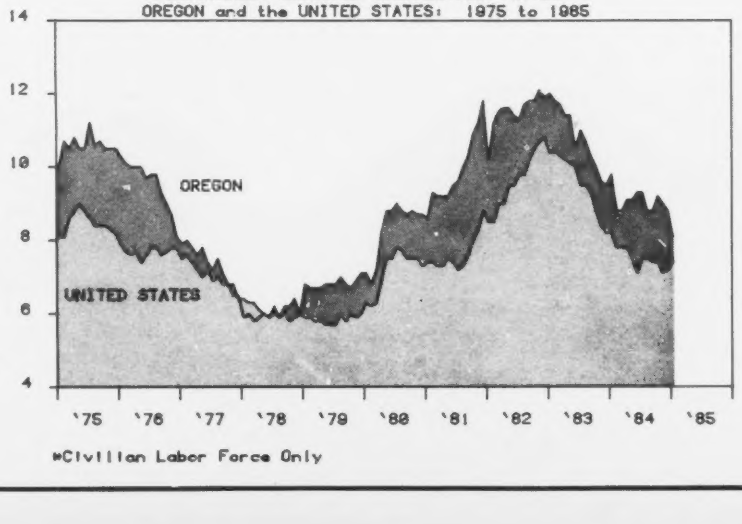
Dwayne Stevenson

Oregon continues to feel the impact of high real interest rates and the strong dollar. With the recent closure of Martin Marietta's aluminum plant in The Dalles (-550 jobs) and Champion International's announced shutdown of mills in Dee, Lebanon, Idanha, Mapleton, and Gold Beach (-1,300 jobs), some areas of the state will continue to experience serious economic problems. Further analysis of major plant shutdowns, expansions, and new openings reveals some consequences we will face: the geographic relocation of jobs, changes in Oregon's industrial mix, and the problems caused by the wait for new job creation.

Let's start with an overview of several recently announced plant openings or shutdowns. The two accompanying tables show mostly manufacturing plant openings and shutdowns, but some selected nonmanufacturing firms are listed as well. At first glance, the net effect looks insignificant - about 6,200 jobs lost versus 6,100 gained. In addition, some of these shutdowns or curtailments will not be permanent. Champion, for one, will try to sell most, if not all, of its closed operations to smaller firms. On the other hand, announced openings are not always followed by plant construction.

The geographic distribution of employment gains and losses is uneven. Some towns have been hurt by the loss of jobs. Others, like Lebanon, have been devastated with the loss of most of their economic base; and Valsetz is but a memory. With the recently announced rail line abandonments, more communities may lose a major part of their economic base.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



*Civilian Labor Force Only

RESIDENT OREGON LABOR FORCE

	Jan. 1/ 1985	Dec. 2/ 1984	Change	% Change	Jan. 5/ 1984
Civilian Labor Force 3/	1,326,100	1,331,700	-5,600	-0.4	1,324,700
Unemployment	137,000	128,100	8,900	6.9	149,900
Percent of Labor Force	10.3	9.6	xxx	xxx	11.3
Seasonally Adjusted Percent	8.1	8.8	xxx	xxx	9.1
Total Employment 4/	1,189,100	1,203,600	-14,500	-1.2	1,174,800

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1984 and January 1985, data for 1985 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1/ 1985	Dec. 2/ 1984	Jan. 1984	Change From Dec. 1984	Change From Jan. 1984
TOTAL 3/	1,004,300	1,015,300	968,200	-11,000	36,100
Wage & Salary Employment Index 4/	109.5	108.5	105.6	xxx	xxx
Diffusion Index 5/	*	*	*	xxx	xxx
Total Manufacturing	195,000	194,900	188,100	100	6,900
Durable Goods	143,900	144,500	137,700	- 600	6,200
Lumber & Wood Products	63,100	63,800	62,800	- 700	300
Logging & Sawmills	33,000	33,500	33,000	- 500	0
Veneer & Plywood	16,500	16,700	17,100	- 200	- 600
Millwork & Structural Wood	8,600	8,400	7,900	200	700
Mobile Homes	1,200	1,300	1,400	- 100	- 200
Other Wood Products	3,800	3,900	3,400	- 100	400
Furniture & Fixtures	2,800	2,800	2,500	0	300
Stone, Clay, Glass, & Concrete	2,300	2,400	2,400	- 100	- 100
Primary Metals	9,000	9,000	8,700	0	300
Blast Furnaces, Iron & Steel	5,600	5,500	4,600	100	1,000
Nonferrous Metals	3,400	3,500	4,100	- 100	- 700
Fabricated Metals	10,000	10,400	9,600	- 400	400
Fabricated Structural Metals	4,800	5,000	4,200	- 200	600
Other Fabricated Metals	5,200	5,400	5,400	- 200	- 200
Machinery	15,800	16,100	14,700	- 300	1,100
Electrical Equipment & Supplies	15,000	14,900	12,500	100	2,500
Transportation Equipment	8,400	7,800	7,800	600	600
Instruments & Related Products	14,700	14,500	14,300	200	400
Miscellaneous Manufacturing	2,800	2,800	2,400	0	400
Nondurable Goods	51,100	50,400	50,400	700	700
Food & Kindred Products	21,000	20,500	20,700	500	300
Canning & Preserving	10,800	10,100	10,700	700	100
Other Food Products	10,200	10,500	10,000	- 300	200
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,700	2,700	2,600	0	100
Paper & Allied Products	8,900	8,900	9,000	0	- 100
Printing & Publishing	11,100	11,100	10,600	0	500
Chemicals & Allied Products	2,100	2,100	2,100	0	0
Petroleum Refining	400	300	500	100	- 100
Rubber & Plastic Products	2,800	2,800	2,600	0	200
Leather Products	500	400	500	100	0

*Diffusion Index not available at this time

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1985	Dec. 1984	Jan. 1984	Change From Dec. 1984	Jan. 1984
(cont.)					
Total Nonmanufacturing	809,300	820,400	780,100	-11,100	29,200
Mining & Quarrying	1,300	1,300	1,300	0	0
Construction	28,400	29,700	25,500	- 1,300	2,900
Transportation, Communications, & Utilities	54,200	55,100	56,100	- 900	- 1,900
Transportation	32,000	32,900	32,600	- 900	- 600
Railroad	5,000	5,200	5,400	- 200	- 400
Trucking & Warehousing	16,700	17,700	16,800	- 1,000	- 100
Other Transportation	10,300	10,000	10,400	300	- 100
Communications	13,600	13,600	15,000	0	- 1,400
Utilities	8,600	8,600	8,500	0	100
Trade	254,300	261,200	241,700	- 6,900	12,600
Wholesale Trade	65,500	65,600	61,900	- 100	3,600
Durable Goods	38,600	38,400	36,700	200	1,900
Nondurable Goods	26,900	27,200	25,200	- 300	1,700
Retail Trade	188,800	195,600	179,800	- 6,800	9,000
General Merchandise	25,300	26,900	25,700	- 1,600	- 400
Food Stores	29,400	29,500	27,200	- 100	2,200
Auto Dealers & Service Stations	24,100	24,500	22,400	- 400	1,700
Other Retail Trade	110,000	114,800	104,400	- 4,800	5,600
Finance, Insurance, & Real Estate	67,000	66,500	63,800	500	3,200
Banking & Credit Agencies	23,200	23,300	23,300	- 100	- 100
Other Finance, Insurance, & Real Estate	43,800	43,200	40,500	600	3,300
Services	206,100	206,600	196,100	- 500	10,000
Hotels & Personal Services	22,500	22,800	22,200	- 300	300
Health Services	68,900	68,200	65,900	700	3,000
Other Services	114,700	115,600	108,000	- 900	6,700
Government	198,000	200,000	195,600	- 2,000	2,400
Federal Government	29,500	29,900	27,700	- 400	1,800
State Government	53,800	54,800	55,300	- 1,000	- 1,500
Education	21,600	23,200	22,600	- 1,600	- 1,000
Other State	32,200	31,600	32,700	600	- 500
Local Government	114,700	115,300	112,600	- 600	2,100
Education	73,800	74,100	72,200	- 300	1,600
Other Local	40,900	41,200	40,400	- 300	500
Labor-Management Disputes	600	600	900	0	- 300

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Of all the closures, only one is in the Portland MSA. Portland's economy is growing with 61% of the jobs being created there. Other areas are doing well just to keep from showing a net loss. Part of Portland's success is due to the diversification of its economy, with recent gains in the electronics industries. Ninety percent of the jobs being created in Portland as shown on the table are in electronics. Areas such as Medford, Eugene, and Central Oregon are also trying to diversify, however, losses in lumber and wood products jobs keep them fighting just to stay in place.

While 67% of the jobs to be gained overall are in electronics, 65% of the jobs lost are in the lumber and wood products industry. Lumber and wood has been undergoing a sometimes severe restructuring for about five years. It may be another two or three years before this phase is finished, and, according to some authorities, another 20 years before Northwest forests regain their market share in the U.S. With this restructuring of the lumber industry and the market, every economic alternative must be examined to remain competitive and keep jobs in Oregon.

SELECTED SHUTDOWNS/CURTAILMENTS

Firm Name	County/MSA	Jobs Lost	Effective Date
Neptune Microfloc	Benton	70	12-84
United Chrome	Benton	40	11-84
Swing Shift	Columbia	55	Early 85
Bandon Fisheries	Coos	100	6-84
Weyerhauser	Coos	170	5-84
Champion Intl.	Curry	322	Late 84/ Early 85
Bohemia	Douglas	225	4-84
Intl. Paper	Douglas	490	12-84
Louisiana Pacific	Douglas	35	10-84
Mt. Mazama	Douglas	185	8-84
Champion Intl.	Hood River	94	3-85
Intl. Memories	Jackson	400	Early 85
D. G. Shelter	Klamath	180	7-84
Klamath Stud	Klamath	70	9-84
Orecal	Klamath	60	9-84
Weyerhauser	Klamath	170	7-85
Champion Intl.	Lane	278	Late 84/ Early 85
Murphy Co.	Lane	100	12-84
Premier Plywood	Lane	125	12-84
Weyerhauser	Lane	150	10-84
Georgia Pacific	Lincoln	230	12-84
Champion Intl.	Linn	583	3-85
Commodore	Linn	120	9-84
United Foods	Linn	380	3-85
Willamette Ind.	Linn	130	Mid-85
Champion Intl.	Marion	28	3-85
Boise Cascade	Polk	100	2-84
Intel	Portland MSA	500	2-85
Crown Zellerbach	Tillamook	85	Late 84
Louisiana Pacific	Umatilla	100	Mid 84
Ore. St. Hospital	Umatilla	250	10-84
Boise Cascade	Union	120	7-84
Martin Marietta	Wasco	450	12-84

SELECTED ANNOUNCED OPENINGS/EXPANSIONS

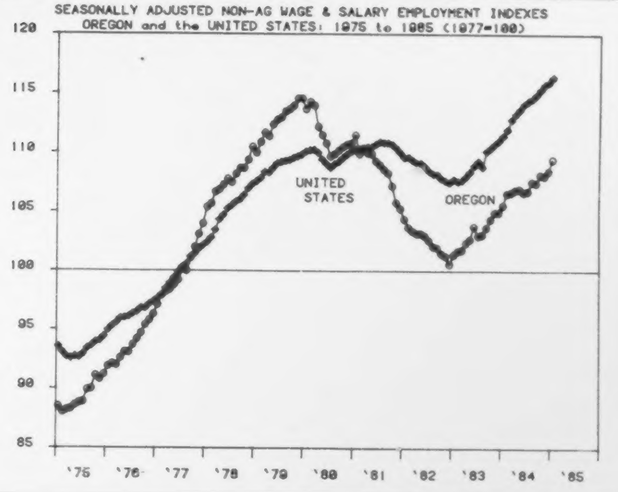
Firm Name	County/MSA	Jobs Created	Opening Date
Midway Forest Prod.	Benton	30	Early 85
Astoria Oil	Clatsop	430	Late 84
KRI Contractors	Coos	150	1985
Tektronix	Deschutes	100	1985-86
Various Resorts	Deschutes	150	Late 85-87
Fred Meyer	Douglas	200	Late 84
Kilburn Wood Prod.	Douglas	35	Late 84
Murphy Co.	Douglas	125	Early 85
NW Printed Circuits	Jackson	200	Late 85
Country Camper	Lane	100	Late 84
Monaco Motor Homes	Lane	280	1985
Spectra Physics	Lane	350	1986-87
Eagle-Picher Ind.	Malheur	35	Early 85
Ore. Trail Mushroom	Malheur	30	Early 85
Brown & Root	Portland MSA	350	Early 85
Epson America	Portland MSA	580	Late 85
Fujitsu America	Portland MSA	500	Late 85
Fujitsu Microelect.	Portland MSA	500	Mid 86
Lattice Semicond.	Portland MSA	150	1985
Nike (R & D)	Portland MSA	50	1985
Photon Kinetics	Portland MSA	50	Early 86
Sequent Computer	Portland MSA	300	Late 85
Wacker Siltronic	Portland MSA	800	1985-87
Xerox (R & D)	Portland MSA		
NEC America	Portland MSA	400+	Late 85
Showtime Video	Tillamook	45	Early 86

Electronics, however, is not the only industry providing hope for diversification. Recent contracts for oil drilling rigs and support buildings have been awarded to firms which will do the work in Oregon. In addition, businesses affected by tourist activity are doing well in Central Oregon. Motels, resorts and restaurants are being built there, but barely fast enough to keep up with demand.

With all this changeover, the time gap between the loss of jobs and the creation of others continues to plague us. With the new electronics firms, waits of one to three years must be endured before the promised jobs will be here. Some workers simply cannot wait that long and will have left the state. While some plant reopenings may occur soon, other openings are further in the future.

In spite of all the job redistribution and restructuring that is occurring, we can look at the current employment picture and see the best January in four years. Oregon's seasonally adjusted unemployment rate decreased from December's 8.8% to January's 8.1% in spite of a drop in employment (-14,500) and a rise in unemployment (+8,900). Seasonal reductions in employment were smaller than expected, but more of that later.

First, let's look at the unemployment rate. The 0.7 drop - the sharpest in nearly a year - to 8.1% brought the seasonally adjusted rate to its lowest level since March 1980. At the same time, the national unemployment rate increased to 7.4% from 7.2% in December.



Oregon's wage and salary employment index also turned in a rosy performance. The index gained one full percentage point to reach 109.5 in January, the highest level since May 1981, as wage and salary employment declined 9,500 less than expected. This was due to several factors. The exceptionally dry weather supported gains in seasonally adjusted employment in lumber and wood products as well as construction, up 500 and 1,100 respectively. A weak December showing in trade resulted in fewer staff cutbacks in January. This brought about seasonally adjusted gains for both retail trade (+3,900) and wholesale trade (+1,700). Slightly lower interest rates also led to both raw (+500) and seasonally adjusted (+1,200) increases in real estate employment. With fewer jobs being lost, the increase in the number of unemployed was about 10,000 less than would usually be expected. There were 137,000 Oregonians unemployed in January, however, and that number is likely to get higher as the impact of announced layoffs begins.

Good news continued in other sectors as well. Shipbuilding and repair gained 500 over the month, and instruments and related products increased by 200. Food and kindred products also posted a 500 gain, with support from continued processing of preserved fruits and vegetables. Employment in this sector was the highest in four years.

While some losses did occur in manufacturing, only one was greater than seasonally expected. Nonferrous metals continued to fall under the impact of Martin Marietta's closure in The Dalles.

Transportation experienced a drop of 900, but this was 300 less than normally seen at this time of the year. Communications and utilities showed no change in employment. Trade showed a decline (-6,900), but this was 5,600 less than expected. Gains in business services (+600) and other health services (+500) brought services up to the highest employment level on record for January. While losses in government were higher than expected, employment was 2,400 more than a year ago. Most of the over-the-month drop was in education.

Overall, this January shows that Oregon's economy is resilient, and will continue to provide opportunities. Stability, or slow growth, is expected to continue in 1985.□

OREGON GAINS POPULATION

Duane Ackerson

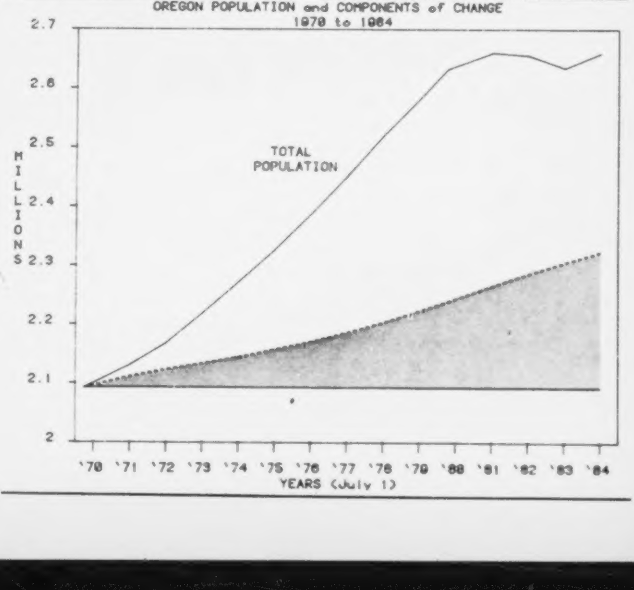
For the first time in three years, Oregon's population change is on the plus side. The Portland State University Center for Population Research and Census estimate of January 1985 shows that Oregon's population increased by 25,000 from July 1, 1983 to July 1, 1984. This follows two years of population losses: 1981-82 (-4,550) and 1982-83 (-21,185). With the latest estimate, Oregon's 1980-84 change in population is 26,844, or a one percent increase over where it stood as of the April 1980 census.

The two components that produce population change are natural increase and net migration. Natural increase is defined as births minus deaths. In the 1970s, natural increase each year averaged six persons per thousand. This figure rose to eight per thousand in the 1980s, as the Baby Boom began its own baby boomlet.

Net migration is represented by the number of people who move into a state less the number who move out. Annual net in-migration averaged almost 17 persons per thousand in Oregon in the 1970s, making this state one of the real gainers. Net in-migration accounted for 73% of the state's total population growth during the 1970s. However, this double gainer was followed by a belly flop: by mid 1982, Oregon's loss resulting from net out-mi-gration was second only to that of Michigan, with its hard-hit auto industry.

Any change in population is the combined effect of these two forces. For the year ending July 1, 1984, the population growth rate of 9.4 per thousand resulted from an increase of 2.7 per thousand due to net in-migration plus 6.7 per thousand from natural increase.

The two year dip in total population growth, and the recent improvement, can be seen in the following graph. The shaded portion shows what Oregon's population would have been with a closed door policy from 1970 on. The upper portion between dotted and solid lines displays a count of net migrants, or those who did come through the revolving door since 1970 less those who left.



The following table ranks the top five counties from four perspectives: population gain, population loss, natural increase, and net migration.

Population Change
(July 1, 1983-July 1, 1984)

Population Gain		% Change	Population Loss		% Change
Multnomah	4,800	(0.9)	Coos	-450	(-0.7)
Marion	4,100	(2.0)	Curry	-300	(-1.7)
Washington	2,800	(1.1)	Baker	-150	(-0.9)
Clackamas	2,700	(1.1)	Klamath	-150	(-0.3)
Jackson	1,750	(1.3)	Wheeler	- 25	(-1.8)

Natural Increase		Net Migration	
Multnomah	3,163	Marion	2,590
Washington	2,634	Multnomah	1,637
Lane	2,041	Clackamas	1,200
Marion	1,510	Jackson	959
Clackamas	1,500	Josephine	840

As this table shows, much of the population gain was concentrated in urban areas. The five leading counties in this category represented 64.6% of the total statewide increase in population for this period. Most of these gainers, including the Portland MSA counties and Marion County, benefited from an emphasis on service, trade, and a more diversified manufacturing base than the counties that lost population.

The losses were even more concentrated than the gains, with the top five counties in population loss comprising 98.2% of the total loss. (The only other county to show a decline in this period was Gilliam, with -20.) Counties in this category are natural resource based. Despite some economic recovery, they were still impacted by long term troubles in lumber and wood products (Coos, Curry, Baker, and Klamath) and fishing (Coos, Curry).

Of the 25,000 population increase between 1983-84, 17,724 (70.9%) was due to natural increase and 7,276 (29.1%) to net migration. The total population change over this 12 month period is very comparable to the 27,579 increase over the 15 months from April, 1980 to July 1981, the last period to show a gain in both population and net migration. However, net migration played a bigger role in population change in 1983-84 than in 1980-81. In the earlier period, net migration as a percentage of change was 1.5%; in the latter period, 29.1%, a 19-fold increase. This indicates quite a positive population trend, with the economic recovery drawing people into the state in 1983-84 at a much more accelerated rate than in 1980-81, when the economy was beginning to wind down into the recession. The 1983-84 net migration state total of 7,276 is a long way from the gains in 1970-80, when net migration averaged approximately 44,000 annually. Still, it's a great improvement over times as recent as 1982-83, with its net loss of -39,926, the largest loss recorded in net migration.

One source of data on population gain from in-migration is Department of Motor Vehicle (DMV) data on operators' licenses surrendered by people moving to Oregon. For 1982-83, 46,255 total licenses were surrendered. For 1983-84, the next state fiscal year, this figure was at 56,145, nearly 10,000 higher. (This, despite the fact that data for August 1983 was not available; with the inclusion of August data, the gap would be even more impressive.)

In addition to this mid-year to mid-year data, which only shows one side of the coin (in-migration), the most current DMV data (by calendar year) provides a look at both sides of the coin. This information supports the conclusion that there is now a trend toward in-migration. In CY 1984, 55,364 out-of-state licenses were surrendered in Oregon, as opposed to 49,147 Oregon licenses returned from out-of-state. Data on Oregon drivers' licenses surrendered in other states is provided on a cooperative basis, and some of the count no doubt falls through the cracks. Still, the long-term trend is a positive one, when we compare 55,364 out-of-state licenses surrendered in CY 1984 with the 45,371 out-of-state licenses surrendered in CY 1982, when the recession was in full swing.

The other component of population change, natural increase, also plays an important role. Generally speaking, the counties with the greatest net migration from July 1983 to July 1984 were also those that enjoyed the largest population gain (four out of five of the same counties appear on both "top five" lists). However, natural increase can tip the scale dramatically at times, as in the case of Washington County. Of this county's gain of 2,800, 2,634 (94.1%) came from natural increase and only 166 (5.9%) from net migration. In the case of another populous county, Lane County, a substantial natural increase of 2,041 was partially offset by net out-migration of -1,441. The result was a modest population gain overall of 600. This increase is equal to that in Union, a county with less than 10% of Lane's total population.

One factor that has a definite negative impact on population growth is unemployment. Areas with better employment prospects, naturally enough, act as magnets. For example, the five counties (comprising 53.2% of the state's population) where the greatest 1983-84 population gain took place made up 64.6% of the total statewide increase. They only represented 47.5% of the state's excess unemployment. "Excess unemployment" was derived by multiplying .045 times average annual labor force during FY 1984 in a county, then subtracting this amount, which represents "frictional" unemployment, from the average annual unemployment for that county. Frictional unemployment is usually of short duration and involves workers either just entering the labor market or moving between jobs.

Other factors besides employment and unemployment are also at work creating population shifts (these include, for example, livability). In applying the yardstick of excess unemployment, it is helpful to look at this excess as a percentage of average annual unemployment in each county. For Oregon as a whole, this percent is 54.6. The top five counties, using this ratio, are Baker (70.9%), Coos (68.1%), Grant (66.4%), Linn (65.1%), and Harney (65.0%). Of these counties, Linn (550) and Grant (50) showed population gains in 1983-84, Harney stood still, and Baker (-150) and Coos (-450) lost population.

It is reasonable to expect, based on the most recent year's performance and the continued economic recovery, that population growth will continue in Oregon in the 1980s, though not at the feverish pace of the 1970s.□

HOURS AND EARNINGS

Jason Yohannan

The hours and earnings news for December, 1984 fell in line with the positive employment news for that month. Recall that although employment in December fell, the drop was not as severe as expected with the onset of winter. As a result, Oregon's seasonally adjusted unemployment rate declined. Concurrently, the length of the manufacturing workweek grew from 38.4 to 39.8 hours, and average hourly earnings rose $.18.

December also brought a chance to compare 1984's performance to prior years. In 1984 the average manufacturing production worker in Oregon worked 39.2 hours per week and earned $10.44 per hour. This compares favorably with 38.9 hours and $10.21 in 1983; 37.9 hours and $10.02 in 1982; and 37.5 hours and $9.47 in 1981. The past few years have seen manufacturing wages grow by about 3.5% annually, keeping close pace with the inflation rate. Strength can be found in the steadily growing average workweek, indicating a mix of more full-time work, more overtime, and a higher level of factory utilization.

The 1984 manufacturing average wage of $10.44 per hour for production workers is an all-time high. The average workweek of 39.2 hours is the highest since 1973. Outside of manufacturing, nonsupervisory employees in communications & utilities ($12.34 per hour), trade ($8.48 per hour), banking & insurance ($272.06 per week), and employees of state & local government ($326.23 per week) all posted new highs in 1984 in average earnings. Only construction workers did not follow this trend ($14.54 per hour in 1984; but $15.30 per hour in 1983 and $16.00 per hour in 1982). Construction workers, however, can take solace in the fact that their average 1984 workweek of 34.4 hours was the longest since 1980. Communications & utilities, with 40.0 hours, also had the longest workweek since 1980.

In sum, there has been an "hours and earnings recovery" in Oregon in the past couple of years for manufacturing workers and others who have been able to hang on to their jobs. The same cannot be said for those without jobs or hit by layoffs, though. For an "hours and earnings recovery" to be complete, the employment/unemployment recovery must first reach out to more job seekers.

Revised 1983 and 1984 hours and earning statistics, with annual averages, are available upon request.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec. 2/ 1984	Nov. 3/ 1984	Dec. 1983	Dec. 2/ 1984	Nov. 3/ 1984	Dec. 1983	Dec. 2/ 1984	Nov. 3/ 1984	Dec. 1983
TOTAL MANUFACTURING 4/	$421.08	$399.36	$406.21	39.8	38.4	39.4	$10.58	$10.40	$10.31
Durable Goods	432.95	413.83	415.27	40.5	39.3	40.2	10.69	10.53	10.33
Lumber & Wood Products	461.04	430.68	428.79	40.8	38.8	40.3	11.30	11.10	10.64
Logging & Sawmills	491.26	449.92	457.88	40.6	38.0	40.7	12.10	11.84	11.25
Veneer & Plywood	476.02	453.58	433.76	42.2	40.9	40.5	11.28	11.09	10.71
Millwork & Struct Wood	356.00	347.38	343.76	40.0	38.9	40.3	8.90	8.93	8.53
Mobile Homes	258.66	283.03	243.02	32.7	34.1	33.2	7.91	8.30	7.32
Other Wood Products	441.90	421.96	435.71	40.1	38.5	39.9	11.02	10.96	10.92
Furniture & Fixtures	292.99	306.18	263.93	38.4	37.8	34.5	7.63	8.10	7.65
Primary Metals	496.94	503.01	514.37	43.1	42.7	42.9	11.53	11.78	11.99
Fabricated Metals	393.02	388.28	388.73	39.9	39.3	40.2	9.85	9.88	9.67
Machinery	423.28	404.64	416.64	40.7	39.4	40.1	10.40	10.27	10.39
Nondurable Goods	389.88	360.72	379.53	38.0	36.0	37.1	10.26	10.02	10.23
Food & Kindred Products	322.54	288.62	312.05	36.2	33.6	35.5	8.91	8.59	8.79
Canning & Preserving	267.46	228.70	244.49	34.6	31.2	33.4	7.73	7.33	7.32
Other Food Products	403.37	393.21	400.05	38.6	37.7	38.1	10.45	10.43	10.50
Textile Mill Products	231.84	228.98	212.65	38.9	38.1	35.5	5.96	6.01	5.99
Apparel	226.72	200.93	211.20	41.6	36.4	38.4	5.45	5.52	5.50
Paper & Allied Products	614.18	589.47	594.56	43.1	41.6	41.9	14.25	14.17	14.19
Printing & Publishing	406.00	408.24	383.95	35.0	36.0	35.0	11.60	11.34	10.97
Construction 4/	474.50	463.46	477.86	32.5	32.8	31.9	14.60	14.13	14.98
Communications & Utilities 5/	500.35	507.32	490.92	39.9	40.2	38.9	12.54	12.62	12.62
Trade 5/	288.12	281.05	280.36	34.3	33.3	34.4	8.40	8.44	8.15
Wholesale Trade	386.32	377.48	372.13	37.8	37.3	37.4	10.22	10.12	9.95
Retail Trade	242.96	235.50	239.64	32.7	31.4	33.1	7.43	7.50	7.24
Banking & Insurance	277.03	274.83	259.76						
State & Local Government	327.63	324.80	319.38						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

ANNUAL EMPLOYMENT REVISIONS

Mike Staten

Once each year those involved in producing employment and unemployment data in cooperation with the U.S. Bureau of Labor Statistics devote considerable effort to the task of revising and upgrading estimates for the prior two years.

This "benchmarking" process pulls together all the latest data, including some that was not available when the original estimates were made. The result is a sound historical time series and a solid base for making estimates in the coming year.

The "number crunching" aspect of benchmarking can be very tedious and the results often just reinforce the direction evident in the earlier statistics. The 1983 data was no exception, showing little change from the previously published estimates.

Two points are evident from the 1983 numbers. First, economic recovery took hold in Oregon during the latter half of the year, following a very poor 1982; and second, construction employment was still "mired down" and did not show much improvement in 1983.

In 1984, the economic rebound continued to exert itself in Oregon. Comparing the newly benchmarked numbers with the original estimates, we see some areas in which we were overly optimistic and others where we were not able to track the growth as well. The accompanying table is a comparison of the employment numbers.

It is difficult to accurately track the expansion in the labor force at a time of economic rebound. This is particularly true of new establishments just beginning as well as growth among smaller firms. Such appeared to be the case in 1984 for construction and services. Highway tax dollars fueled a healthy rebound in heavy construction activities, and many other construction activities made gains as interest rates continued to fall. This was good news because it showed Oregon's construction industry had finally broken out of its stalemate and started making strides toward a healthier existence.

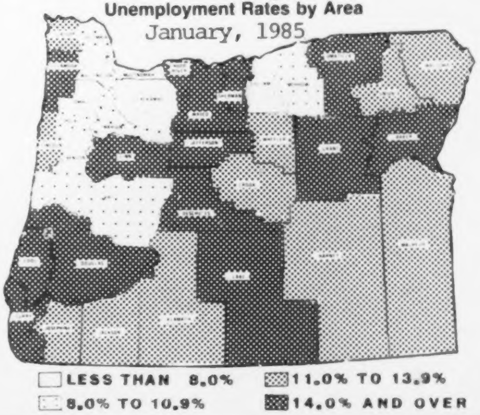
1984 AVERAGE EMPLOYMENT

	Original ('83 B.M.)	Revised ('84 B.M.)	Change	% Change
Total Nonfarm	994,000	1,004,000	10,000	1.0
Manufacturing	197,000	198,700	1,700	.9
Lumber & Wood	65,000	66,000	1,000	1.5
Other Durables	78,100	79,700	1,600	2.0
Food & Kindred	23,500	22,800	- 700	- 3.0
Other Nondurables	30,400	30,300	- 100	- .3
Nonmanufacturing	797,000	805,200	8,200	1.0
Mining	1,900	1,600	- 300	-15.8
Construction	27,300	29,900	2,600	9.5
Trans., Comm. & Util.	55,400	56,200	800	1.4
Trade	251,200	252,400	1,200	.5
Fin., Ins. & Real Est.	66,400	65,700	- 700	- 1.1
Services	200,100	204,900	4,800	2.4
Government	194,800	194,700	- 100	- .1

The newly benchmarked unemployment rates for 1983 and 1984 are not yet available, so discussion of this topic will be deferred until a later issue of Labor Trends.

Overall, the benchmark revisions lead to the conclusion that Oregon's economy continued to make healthy gains in 1984 following the turnaround evident in late 1983. The 3.9% growth in 1984, coupled with the January 1985 performance, supports the view that 1985 may be another year of economic gain for Oregon.□

State of Oregon
Unemployment Rates by Area
January, 1985



OREGON LABOR TRENDS

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Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1984 Benchmark
March 1985 (Rev.)

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1983 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE													
UNEMPLOYMENT						(Resident data to be published next month)							
Percent of Labor Force													
TOTAL EMPLOYMENT													

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1983 3/ **

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE AND SALARY	966.7	929.7	931.9	940.1	952.6	963.6	988.9	964.6	969.9	990.1	994.1	991.5	983.4
Wage & Salary Empl. Index (1977=100) 4/	103.2	101.4	101.7	101.8	102.4	102.7	103.8	103.0	103.1	103.7	104.4	105.0	105.0
Diffusion Index 5/	58.1	46.2	45.0	50.0	53.9	59.7	65.5	62.0	65.5	60.1	63.9	63.9	62.0
MANUFACTURING, TOTAL	188.8	176.3	176.1	178.1	179.5	182.2	192.8	195.4	201.0	201.3	199.2	194.4	189.6
Durable Goods	135.1	126.3	126.6	128.2	129.8	131.8	137.2	139.0	140.7	141.1	141.1	140.6	138.4
Lumber & Wood Products	62.6	54.7	56.0	57.2	58.8	60.9	65.1	66.4	67.6	68.0	67.2	65.8	63.7
Logging & Sawmills	32.8	28.2	29.3	29.9	30.2	31.6	34.3	35.2	36.0	36.2	35.5	34.5	32.6
Veneer & Plywood	17.7	16.6	16.7	16.9	17.3	17.3	17.8	18.4	18.4	18.4	18.4	18.0	17.9
Millwork & Structural Wood	7.2	5.7	5.8	6.0	6.7	7.1	7.7	7.6	7.8	7.9	7.9	8.0	7.9
Mobile Homes	1.5	1.2	1.1	1.3	1.4	1.5	1.6	1.6	1.7	1.8	1.7	1.7	1.7
Other Wood Products	3.5	3.0	3.1	3.1	3.2	3.4	3.7	3.6	3.7	3.7	3.7	3.6	3.6
Furniture & Fixtures	2.4	2.2	2.2	2.3	2.4	2.4	2.4	2.5	2.6	2.6	2.5	2.6	2.5
Stone, Clay, Glass & Concrete Prod.	3.0	2.8	2.7	2.8	2.9	3.0	3.2	3.1	3.3	3.1	3.1	2.9	2.6
Primary Metals	7.5	7.0	7.1	7.2	7.2	7.3	7.4	7.6	7.8	7.6	7.8	8.1	8.3
Blast Furnaces, Iron & Steel Found.	4.0	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.1	3.8	3.8	4.1	4.3
Nonferrous Metals	3.6	3.1	3.2	3.3	3.3	3.4	3.5	3.6	3.7	3.8	4.0	4.0	4.0
Fabricated Metals	9.4	9.0	8.8	8.7	8.7	8.9	9.4	9.4	9.9	10.2	10.3	10.0	10.0
Fabricated Structural Metals	4.1	3.7	3.7	3.7	3.7	3.9	4.2	4.3	4.4	4.5	4.4	4.3	4.3
Other Fabricated Metals	5.4	5.3	5.1	5.0	5.0	5.0	5.2	5.1	5.5	5.7	5.9	5.7	5.7
Machinery	15.2	15.0	15.0	15.0	15.1	14.9	15.1	15.3	15.4	15.2	15.4	15.5	15.6
Electrical Equipment & Supplies	10.7	10.0	9.8	9.9	10.2	10.3	10.4	10.9	11.1	11.2	11.3	11.5	11.6
Transportation Equipment	7.1	7.4	7.0	7.4	7.1	7.0	7.3	7.2	6.4	6.6	7.0	7.5	7.3
Instruments & Related Products	14.8	16.1	15.8	15.5	15.2	14.9	14.6	14.3	14.2	14.1	14.0	14.1	14.3
Miscellaneous Manufacturing	2.3	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.5	2.5	2.6	2.5
Nondurable Goods	53.8	50.0	49.5	49.9	49.7	50.4	55.6	56.4	60.3	60.2	58.1	53.8	51.2
Food & Kindred Products	24.2	20.8	20.5	20.9	20.9	21.1	26.1	26.5	30.3	30.2	28.0	23.6	20.9
Canning and Preserving	14.1	10.8	10.7	11.4	11.3	11.4	16.1	16.3	20.2	19.9	17.5	13.2	10.7
Other Food Products	10.0	10.0	9.8	9.5	9.6	9.7	10.0	10.2	10.1	10.3	10.5	10.4	10.2
Textile Mill Products	1.7	1.8	1.7	1.7	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7
Apparel	2.6	2.5	2.5	2.6	2.5	2.5	2.5	2.6	2.5	2.7	2.6	2.6	2.6
Paper & Allied Products	9.3	9.5	9.3	9.3	9.2	9.2	9.4	9.6	9.5	9.2	9.3	9.3	9.3
Printing & Publishing	10.4	10.3	10.3	10.2	10.1	10.3	10.2	10.3	10.5	10.5	10.6	10.7	10.8
Chemicals & Allied Products	2.2	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Petroleum Refining	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5
Rubber & Plastic Products	2.5	2.2	2.3	2.3	2.4	2.5	2.6	2.5	2.6	2.7	2.7	2.7	2.7
Leather Products	.5	.4	.4	.4	.4	.5	.5	.5	.5	.5	.5	.5	.5

1983 CONT.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	779.1	753.4	755.8	762.0	773.1	781.4	796.1	769.2	768.9	788.8	794.9	797.1	793.8
Mining & Quarrying	1.6	1.3	1.4	1.4	1.4	1.6	1.8	1.8	1.9	1.9	1.8	1.6	1.4
Construction	27.0	23.0	22.3	22.3	23.9	25.3	27.6	29.5	31.2	31.6	31.6	28.6	26.7
Transp., Comm. & Utilities	55.4	54.2	54.4	54.6	54.7	55.1	55.9	56.3	51.3	57.4	57.1	56.9	57.2
Transportation	32.0	30.2	30.4	30.6	30.8	31.2	31.9	32.4	32.6	33.7	33.4	33.1	33.4
Railroad	5.4	5.3	5.3	5.3	5.4	5.4	5.4	5.4	5.3	5.4	5.6	5.5	5.5
Trucking & Warehousing	16.7	15.1	15.3	15.4	15.6	16.1	16.7	17.5	17.8	18.1	17.6	17.5	17.8
Other Transportation	9.9	9.8	9.8	9.9	9.8	9.7	9.8	9.5	9.5	10.2	10.2	10.1	10.1
Communications	14.8	15.3	15.3	15.2	15.1	15.1	15.2	15.1	10.0	15.1	15.2	15.3	15.3
Utilities	8.7	8.7	8.7	8.8	8.8	8.8	8.8	8.8	8.7	8.6	8.5	8.5	8.5
Trade	242.6	230.3	228.8	231.6	236.3	240.2	246.3	246.1	248.1	250.9	247.8	251.2	253.0
Wholesale Trade	62.6	60.1	60.1	60.7	60.7	61.4	62.5	63.2	64.3	65.3	64.5	64.9	63.5
Durable Goods	36.8	35.4	35.4	35.7	36.1	36.5	37.0	37.8	37.7	37.7	37.6	37.5	37.4
Nondurable Goods	25.8	24.7	24.7	25.0	24.6	24.9	25.5	25.4	26.6	27.6	26.9	27.4	26.1
Retail Trade	180.0	170.2	168.7	170.9	175.6	178.8	183.8	182.9	183.8	185.6	183.3	186.3	189.5
General Merchandise	24.0	23.9	23.1	22.6	22.9	22.8	23.3	23.5	23.5	23.8	24.2	26.4	28.0
Food Stores	27.2	25.9	25.7	25.8	27.2	27.6	28.3	27.5	27.6	27.5	27.5	27.9	28.3
Auto Dealers & Service Stations	22.0	20.4	20.5	20.8	21.3	21.8	22.4	22.7	23.0	23.1	22.7	22.6	22.6
Other Retail Trade	106.7	100.0	99.4	101.7	104.2	106.6	109.8	109.2	109.7	111.2	108.9	109.4	110.6
Finance, Ins. & Real Estate	64.5	62.6	62.6	63.3	64.1	64.4	65.5	65.5	66.0	65.8	65.0	64.5	64.6
Banking & Credit Agencies	23.5	23.4	23.3	23.4	23.3	23.2	23.4	23.6	23.6	23.6	23.6	23.5	23.5
Other Finance, Ins. & Real Estate	41.0	39.2	39.3	39.9	40.8	41.2	42.1	41.9	42.4	42.2	41.4	41.0	41.1
Services	194.6	187.1	189.8	191.4	194.5	195.2	197.2	194.9	195.2	197.6	196.9	197.4	197.8
Hotels & Personal Services	23.0	22.1	22.0	22.5	23.5	23.4	23.9	23.5	23.9	23.6	22.7	22.3	22.1
Health Services	66.4	65.2	65.4	65.7	66.3	66.1	67.1	67.1	67.2	67.2	66.3	66.3	66.3
Other Services	105.3	99.8	102.4	103.2	104.7	105.7	106.2	104.3	104.1	106.8	107.9	108.8	109.4
Government	192.3	194.9	196.5	197.4	198.2	199.6	201.8	175.1	175.2	183.6	194.7	196.9	193.1
Federal	29.0	28.1	27.9	28.1	28.3	29.1	30.3	30.4	30.3	30.1	29.2	28.4	28.2
State Government	51.7	51.7	52.2	52.1	52.6	52.7	54.1	48.7	49.1	49.0	53.3	54.0	51.3
Education	21.5	22.5	22.9	22.8	22.6	22.6	22.4	17.7	17.4	17.7	23.0	23.2	22.7
Other State	30.3	29.2	29.3	29.3	30.0	30.1	31.7	31.0	31.7	31.3	30.3	30.8	28.6
Local Government	111.5	115.1	116.4	117.2	117.3	117.8	117.4	96.0	95.8	104.5	112.2	114.5	113.6
Education	69.4	73.5	75.3	76.0	75.5	75.9	74.3	52.3	52.2	61.9	70.6	73.0	72.3
Other Local	42.1	41.6	41.1	41.2	41.8	41.9	43.1	43.7	43.6	42.6	41.6	41.5	41.3
LABOR-MANAGEMENT DISPUTES	1.3	.0	.0	.2	.2	.5	.7	.7	6.9	2.5	1.4	1.4	1.4

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force using unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary, employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1984 Benchmark
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OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1984 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE													
UNEMPLOYMENT													
Percent of Labor Force													
TOTAL EMPLOYMENT													

(Resident data to be published next month)

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1984 3/ **

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE AND SALARY	1,004.0	968.1	976.4	985.8	994.8	1,004.2	1,017.0	999.9	1,011.5	1,024.9	1,029.6	1,020.5	1,015.5
Wage & Salary Empl. Index (1977=100) 4/	107.2	105.6	106.6	106.7	106.9	107.0	106.7	106.8	107.6	107.5	108.2	108.1	108.5
Diffusion Index 5/	57.7	59.7	62.4	66.3	67.1	60.9	56.2	52.3	55.1	52.4	55.5	49.2	55.4
MANUFACTURING, TOTAL	198.7	188.1	192.2	192.5	194.9	197.1	200.4	202.0	210.0	209.2	205.4	197.9	195.0
Durable Goods	145.7	137.7	141.1	141.6	144.5	145.7	148.1	148.6	151.4	150.7	148.1	145.8	144.5
Lumber & Wood Products	66.0	62.8	64.4	64.3	65.1	66.0	68.2	67.7	69.1	69.0	66.8	65.2	63.8
Logging & Sawmills	35.2	33.0	33.7	33.7	33.9	34.9	36.9	36.9	37.7	37.4	35.7	34.5	33.5
Veneer & Plywood	17.2	17.1	17.7	17.5	17.8	17.4	17.4	16.7	17.0	17.4	17.1	16.9	16.7
Millwork & Structural Wood	8.2	7.9	7.9	7.9	8.0	8.1	8.2	8.3	8.5	8.4	8.4	8.4	8.4
Mobile Homes	1.6	1.4	1.6	1.6	1.7	1.8	1.8	1.8	1.8	1.7	1.6	1.5	1.3
Other Wood Products	3.8	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.1	4.0	3.9	3.9
Furniture & Fixtures	2.6	2.5	2.5	2.6	2.6	2.7	2.6	2.5	2.6	2.7	2.7	2.8	2.8
Stone, Clay, Glass & Concrete Prod.	2.6	2.4	2.4	2.4	2.5	2.6	2.7	2.8	2.9	2.8	2.7	2.5	2.4
Primary Metals	9.1	8.7	8.8	8.9	9.1	9.1	9.4	9.5	9.3	9.4	9.2	9.2	9.0
Blast Furnaces, Iron & Steel Found.	5.2	4.6	4.7	4.8	4.9	5.0	5.2	5.3	5.4	5.5	5.5	5.5	5.5
Nonferrous Metals	4.0	4.1	4.1	4.1	4.2	4.1	4.2	4.2	3.9	3.9	3.7	3.7	3.5
Fabricated Metals	10.3	9.6	9.9	10.1	10.2	10.3	10.3	10.3	10.6	10.6	10.5	10.5	10.4
Fabricated Structural Metals	4.8	4.2	4.4	4.5	4.5	4.6	4.8	4.8	5.1	5.1	5.0	5.0	5.0
Other Fabricated Metals	5.5	5.4	5.5	5.6	5.7	5.7	5.5	5.5	5.5	5.5	5.5	5.5	5.4
Machinery	15.7	14.7	15.1	15.3	15.6	15.7	15.7	15.8	15.8	15.8	16.2	16.1	16.1
Electrical Equipment & Supplies	13.9	12.5	12.6	12.8	13.5	13.7	14.0	14.1	14.6	14.7	14.8	15.0	14.9
Transportation Equipment	8.3	7.8	8.6	8.3	9.0	8.7	8.1	8.8	9.2	8.4	8.0	7.3	7.8
Instruments & Related Products	14.4	14.3	14.4	14.4	14.3	14.3	14.5	14.3	14.5	14.5	14.4	14.4	14.5
Miscellaneous Manufacturing	2.7	2.4	2.4	2.5	2.6	2.6	2.6	2.8	2.8	2.8	2.8	2.8	2.8
Nondurable Goods	53.1	50.4	51.1	50.9	50.4	51.4	52.3	53.4	58.6	58.5	57.3	52.1	50.5
Food & Kindred Products	22.8	20.7	21.1	20.7	20.3	21.0	21.3	22.5	27.9	28.5	27.3	22.2	20.6
Canning and Preserving	12.5	10.7	11.1	11.0	10.3	10.8	10.9	11.8	17.1	18.0	16.5	11.7	10.1
Other Food Products	10.3	10.0	10.0	9.7	10.0	10.2	10.4	10.7	10.8	10.5	10.8	10.5	10.5
Textile Mill Products	1.7	1.8	1.8	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Apparel	2.8	2.6	2.7	2.8	2.8	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.7
Paper & Allied Products	9.0	9.0	9.0	9.0	9.0	9.0	9.3	9.5	9.2	8.6	8.5	8.6	8.9
Printing & Publishing	10.9	10.6	10.8	10.9	10.7	10.9	11.0	11.0	11.0	11.1	11.1	11.0	11.1
Chemicals & Allied Products	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.1	2.1	2.1	2.1	2.1	2.1
Petroleum Refining	.5	.5	.5	.5	.5	.5	.6	.6	.6	.6	.6	.5	.3
Rubber & Plastic Products	2.8	2.6	2.6	2.7	2.8	2.8	2.9	2.8	2.9	2.8	2.9	2.9	2.8
Leather Products	.5	.5	.5	.5	.5	.5	.5	.5	.5	.4	.4	.4	.4

1984 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	805.3	780.0	784.2	793.3	799.9	807.1	816.6	797.9	801.5	815.7	824.2	822.6	820.5
Mining & Quarrying	1.6	1.3	1.3	1.4	1.5	1.7	1.7	1.8	1.8	1.8	1.7	1.3	1.3
Construction	29.9	25.5	25.4	26.2	27.0	28.6	30.6	33.2	34.6	34.1	32.9	31.0	29.7
Transp., Comm. & Utilities	56.2	56.1	56.0	56.5	56.0	56.4	56.9	56.8	56.6	56.5	56.0	55.4	55.1
Transportation	33.4	32.6	32.7	33.1	33.4	33.7	33.9	34.0	34.0	34.1	33.7	33.1	32.9
Railroad	5.4	5.4	5.4	5.5	5.4	5.4	5.4	5.4	5.4	5.4	5.3	5.2	5.2
Trucking & Warehousing	17.7	16.8	17.0	17.2	17.4	17.6	18.0	18.3	18.3	18.2	18.3	17.9	17.7
Other Transportation	10.3	10.4	10.3	10.4	10.6	10.7	10.5	10.3	10.3	10.5	10.1	10.0	10.0
Communications	14.1	15.0	14.9	15.0	14.0	14.1	14.2	14.0	13.8	13.7	13.7	13.7	13.6
Utilities	8.6	8.5	8.4	8.4	8.6	8.6	8.8	8.8	8.8	8.7	8.6	8.6	8.6
Trade	252.4	241.6	240.5	243.8	247.7	250.5	254.4	254.7	256.9	259.8	258.1	259.8	261.3
Wholesale Trade	64.2	61.9	61.9	62.4	63.1	63.5	64.4	64.9	65.2	65.9	66.1	65.6	65.6
Durable Goods	38.0	36.7	36.8	37.1	37.8	38.0	38.4	38.5	38.6	38.5	38.5	38.3	38.4
Nondurable Goods	26.2	25.2	25.1	25.3	25.3	25.5	26.0	26.4	26.6	27.4	27.0	27.3	27.2
Retail Trade	188.2	179.7	178.6	181.4	184.6	187.0	190.0	189.8	191.7	193.9	192.0	194.2	195.7
General Merchandise	24.8	25.7	24.2	24.0	24.1	24.1	24.1	24.4	24.6	24.5	24.9	26.4	26.9
Food Stores	28.1	27.2	26.7	26.8	27.3	27.2	27.9	28.4	28.6	28.8	29.0	29.3	29.5
Auto Dealers & Service Stations	24.1	22.4	22.7	23.0	23.6	24.1	24.6	24.8	25.0	24.9	24.7	24.5	24.5
Other Retail Trade	111.3	104.4	105.0	107.6	109.6	111.6	113.4	112.2	113.5	115.7	113.4	114.0	114.8
Finance, Ins. & Real Estate	65.7	63.8	64.1	64.5	64.9	64.4	66.3	66.7	66.9	66.9	66.8	66.4	66.5
Banking & Credit Agencies	23.5	23.3	23.3	23.5	23.4	23.5	23.6	23.6	23.7	23.6	23.3	23.3	23.3
Other Finance, Ins. & Real Estate	42.2	40.5	40.8	41.0	41.5	40.9	42.7	43.1	43.2	43.3	43.5	43.1	43.2
Services	205.0	196.1	198.8	201.9	204.7	205.8	207.0	206.5	208.1	208.5	209.0	206.9	206.6
Hotels & Personal Services	23.5	22.2	22.4	23.1	23.5	23.9	24.5	24.4	24.4	24.2	23.6	23.1	22.8
Health Services	67.5	65.9	66.2	66.7	67.1	67.1	67.8	67.9	68.4	68.1	68.6	68.4	68.2
Other Services	114.0	108.0	110.2	112.1	114.1	114.8	114.7	114.2	115.3	116.2	116.8	115.4	115.6
Government	194.6	195.6	198.1	199.0	198.1	199.7	199.7	178.2	176.6	188.1	199.7	201.8	200.0
Federal	29.1	27.7	27.6	27.7	28.0	28.5	30.0	30.2	30.2	29.7	29.8	29.8	29.9
State Government	54.5	55.3	55.9	56.3	55.7	55.9	55.7	51.1	50.8	51.0	55.9	56.0	54.8
Education	21.9	22.6	23.3	23.4	22.9	22.9	22.9	17.9	17.7	18.1	23.6	23.9	23.2
Other State	32.7	32.7	32.6	32.9	32.8	33.0	32.8	33.2	33.1	32.9	32.3	32.1	31.6
Local Government	110.9	112.6	114.6	115.0	114.4	115.3	114.0	96.9	95.6	107.4	114.0	116.0	115.3
Education	69.3	72.2	73.9	73.9	73.2	73.1	71.3	54.1	53.2	65.4	72.3	74.4	74.1
Other Local	41.7	40.4	40.7	41.1	41.2	42.2	42.7	42.8	42.4	42.0	41.7	41.6	41.2
LABOR-MANAGEMENT DISPUTES	.8	.9	.9	.9	.9	.6	.6	.2	.7	.9	.9	.9	.6

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force using unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

56615-2

OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
MARCH 1985

FEBRUARY INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj.)
Feb.	1985	8.9
Jan.	1985	8.0
Feb.	1984	9.3
U.S.		
Feb.	1985	7.3
Jan.	1985	7.4
Feb.	1984	7.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon		1977=100
Feb.	1985	109.7
Jan.	1985	109.3
Dec.	1984	108.5
Nov.	1984	108.1
Oct.	1984	108.2

DIFFUSION INDEX

Oregon		
Feb.	1985	56.6
Jan.	1985	57.0
Dec.	1984	55.4
Nov.	1984	49.2
Oct.	1984	55.5

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Jan.	1985	38.9
Dec.	1984	39.8
Jan.	1984	39.3

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
Jan. 1985	306.8
Yearly Change	+ 4.0%
U.S.	
Feb. 1985	317.4
Yearly Change	+ 3.5
Portland Hotline	221-4132

MONTHLY ECONOMIC ANALYSIS

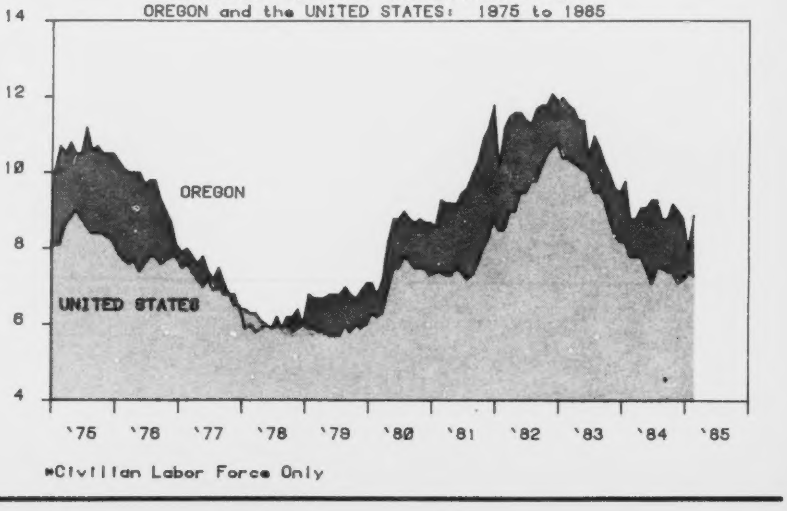
Duane Ackerson

In February, as in other recent months, Oregon gave signs of continuing economic health, despite an increase in the past month's unemployment rate and the problems evident in the lumber and wood products industry.

While the national unemployment rate in the past three months has shown some stability (7.2 in December, 7.4 in January, and 7.3 in February), Oregon's seasonally adjusted unemployment rate has travelled by hops and skips, from 9.2 in December to 8.0 in January to 8.9 in February. All these rates, however, are below the annual average for 1984 of 9.4. Also, if we compare Oregon's performance in these past three months against where it stood in each of the corresponding months a year earlier (December, 1983: 10.1; January, 1984: 10.0; February, 1984: 9.3), it's apparent that Oregon's economy is still showing strength. These months show, in succession, rates that are 0.9, 2.0, and 0.4 of a point lower than their counterparts of a year before.

The seasonally adjusted unemployment rate averaged 8.5 for the first two months of 1985. This was nearly a point below 1984's annual average of 9.4 and 2.3 points below the 1983 annual average of 10.8. Even so, Oregon continues to qualify through April 6 for Federal Supplemental Compensation. If this program sunsets March 31, unemployment insurance claimants who have exhausted regular benefits, but have an unexpired claim, will qualify for Additional Benefits from the State of Oregon, at least through June 29, 1985.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



*Civilian Labor Force Only

RESIDENT OREGON LABOR FORCE

	1/ FEB. 1985	2/ JAN. 1985	CHANGE	% CHANGE	5/ FEB. 1984
CIVILIAN LABOR FORCE 3/	1,317,900	1,325,600	- 7,700	-0.6	1,319,000
UNEMPLOYMENT	145,000	137,700	7,300	5.3	137,200
PERCENT OF LABOR FORCE	11.0	10.4	XXX	XXX	10.4
SEASONALLY ADJUSTED PERCENT	8.9	8.0	XXX	XXX	9.3
TOTAL EMPLOYMENT 4/	1,172,900	1,187,900	-15,000	-1.3	1,181,800

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	1/ FEB. 1985	2/ JAN. 1985	FEB. 1984	CHANGE FROM JAN. 1985	CHANGE FROM FEB. 1984
TOTAL 3/	1,003,900	1,003,100	976,400	800	27,500
WAGE & SALARY EMPLOYMENT INDEX 4/	109.7	109.3	106.6	XXX	XXX
DIFFUSION INDEX 5/	56.6	57.0	62.4	XXX	XXX
TOTAL MANUFACTURING	192,400	194,300	192,200	- 1,900	200
DURABLE GOODS	142,500	143,500	141,100	- 1,000	1,400
LUMBER & WOOD PRODUCTS	62,000	62,700	64,400	- 700	- 2,400
LOGGING & SAWMILLS	31,700	32,400	33,700	- 700	- 2,000
VENEER & PLYWOOD	16,600	16,700	17,700	- 100	- 1,100
MILLWORK & STRUCTURAL WOOD	8,400	8,400	7,900	0	500
MOBILE HOMES	1,400	1,400	1,600	0	- 200
OTHER WOOD PRODUCTS	3,900	3,800	3,500	100	400
FURNITURE AND FIXTURES	2,800	2,800	2,500	0	300
STONE, CLAY, GLASS & CONCRETE	2,300	2,300	2,400	0	- 100
PRIMARY METALS	9,000	9,000	8,800	0	200
BLAST FURNACES, IRON & STEEL	5,600	5,600	4,700	0	900
NONFERROUS METALS	3,400	3,400	4,100	0	- 700
FABRICATED METALS	9,900	10,000	9,900	- 100	0
FABRICATED STRUCTURAL METALS	4,900	4,800	4,400	100	500
OTHER FABRICATED METALS	5,000	5,200	5,500	- 200	- 500
MACHINERY	15,600	15,800	15,100	- 200	500
ELECTRICAL EQUIPMENT & SUPPLIES	14,800	15,000	12,600	- 200	2,200
TRANSPORTATION EQUIPMENT	8,600	8,500	8,600	100	0
INSTRUMENTS & RELATED PRODUCTS	14,700	14,600	14,400	100	300
MISCELLANEOUS MANUFACTURING	2,800	2,800	2,400	0	400
NONDURABLE GOODS	49,900	50,800	51,100	- 900	- 1,200
FOOD & KINDRED PRODUCTS	20,100	20,800	21,100	- 700	- 1,000
CANNING & PRESERVING	10,300	10,700	11,100	- 400	- 800
OTHER FOOD PRODUCTS	9,800	10,100	10,000	- 300	- 200
TEXTILE MILL PRODUCTS	1,600	1,600	1,800	0	- 200
APPAREL	2,500	2,700	2,700	- 200	- 200
PAPER & ALLIED PRODUCTS	8,800	8,800	9,000	0	- 200
PRINTING & PUBLISHING	11,000	11,200	10,800	- 200	200
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	400	500	100	0
RUBBER & PLASTIC PRODUCTS	2,800	2,700	2,600	100	200
LEATHER PRODUCTS	500	500	500	0	0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	FEB. 1985	JAN. 1985	FEB. 1984	CHANGE FROM JAN. 1985	CHANGE FROM FEB. 1984
(CONT.)					
TOTAL NONMANUFACTURING	811,500	808,800	784,200	2,700	27,300
MINING & QUARRYING	1,300	1,200	1,300	100	0
CONSTRUCTION	27,700	28,200	25,400	- 500	2,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	54,500	54,300	56,000	200	- 1,500
TRANSPORTATION	32,300	32,200	32,700	100	- 400
RAILROAD	5,100	5,100	5,400	0	- 300
TRUCKING & WAREHOUSING	17,200	17,100	17,000	100	200
OTHER TRANSPORTATION	10,000	10,000	10,300	0	- 300
COMMUNICATIONS	13,600	13,500	14,900	100	- 1,300
UTILITIES	8,600	8,600	8,400	0	200
TRADE	251,400	253,500	240,500	- 2,100	10,900
WHOLESALE TRADE	65,000	65,300	61,900	- 300	3,100
DURABLE GOODS	38,300	38,500	36,800	- 200	1,500
NONDURABLE GOODS	26,700	26,800	25,100	- 100	1,600
RETAIL TRADE	186,400	188,200	178,600	- 1,800	7,800
GENERAL MERCHANDISE	23,300	24,600	24,200	- 1,300	- 900
FOOD STORES	29,400	29,300	26,700	100	2,700
AUTO DEALERS & SERVICE STATIONS	24,100	24,200	22,700	- 100	1,400
OTHER RETAIL TRADE	109,600	110,100	105,000	- 500	4,600
FINANCE, INSURANCE, & REAL ESTATE	66,900	67,200	64,100	- 300	2,800
BANKING & CREDIT AGENCIES	23,000	23,200	23,300	- 200	- 300
OTHER FINANCE, INSURANCE, & REAL ESTATE	43,900	44,000	40,800	- 100	3,100
SERVICES	207,800	205,300	198,800	2,500	9,000
HOTELS & PERSONAL SERVICES	22,600	22,700	22,400	- 100	200
HEALTH SERVICES	68,600	68,600	66,200	0	2,400
OTHER SERVICES	116,600	114,000	110,200	2,600	6,400
GOVERNMENT	201,900	199,100	198,100	2,800	3,800
FEDERAL GOVERNMENT	29,500	29,600	27,600	- 100	1,900
STATE GOVERNMENT	55,400	54,600	55,900	800	- 500
EDUCATION	22,900	22,400	23,300	500	- 400
OTHER STATE	32,500	32,200	32,600	300	- 100
LOCAL GOVERNMENT	117,000	114,900	114,600	2,100	2,400
EDUCATION	75,800	74,000	73,900	1,800	1,900
OTHER LOCAL	41,200	40,900	40,700	300	500
LABOR-MANAGEMENT DISPUTES	600	600	900	0	- 300

1/ PRELIMINARY

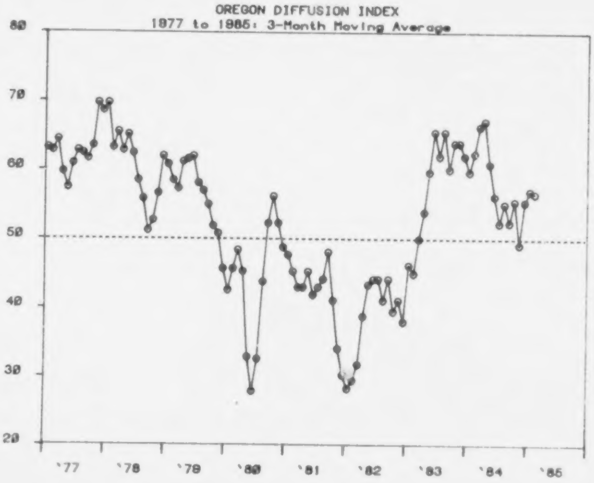
2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

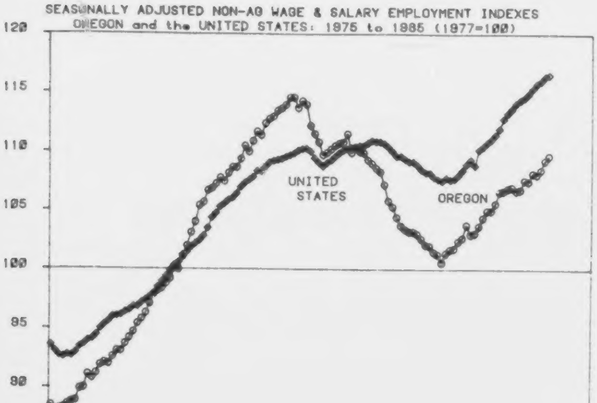
5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

The diffusion index, which is one of the best seismic (or "leading") indicators of tremors in the economy, shows considerable stability at present. The preliminary estimate of this index for February, at 56.6, is only 0.4 of a point lower than January's revised index of 57.0. The annual average for the diffusion index in 1984 was 57.7. This leading economic indicator has been quite stable over the last three months, representing an improvement over the latter half of 1984, when its performance was quite erratic. In the last half of that year, the diffusion index ranged from a high of 55.5 in October to a low of 49.2 in November, with an average for those six months of 53.3. (These figures are based on revised 1984 labor force data.) An economic slowdown may be in the offing when the diffusion index falls for several months in a row. However, previous to the dramatic dip of 6.3 points from October to November and the almost equally dramatic rebound of 6.2 points to 55.4 from November to December, the index has remained over 50.0 since its reading of 45.0 in February, 1983. This, coupled with an annual average for 1984 that is only 0.4 of a point lower than the 58.1 for 1983, suggests a fairly stable hiring picture overall.



Looking at the economy from the employment perspective, Oregon's nonfarm wage and salary employment gained 800 from January's 1,003,100 to February's 1,003,900. This increase may seem a modest one, but is encouraging when compared with the decline in nonagricultural wage and salary employment in December (-5,000) and January (-12,400). The February gain represented a stronger than anticipated performance. As a result, seasonally adjusted employment rose by 3,300, and the February wage and salary employment index increased to 109.7. This put the index 0.4 of a point above January, and at the highest level since May 1981.

The 800 wage and salary employment gain is the net result of a 2,700 job increase in nonmanufacturing and a 1,900 decrease in manufacturing. Lumber and wood products (-700) accounted for much of this decrease, along with food and kindred products (-700). When seasonally adjusted, lumber and wood (-1,600) shows a greater drop than food and kindred products (-400). In the latter sector, we would normally expect, and have experienced, lower employment levels in the canning and preserving component at this time of year than during the summer and early fall. Within lumber and wood products, logging and sawmills were responsible for most of the downward movement. With February's lumber and wood products employment at 2,400 less than a year ago, and with more layoffs and closures pending, this sector of the Oregon economy may be in for some rough sledding in the next few months.



Within nonmanufacturing, all major industry sectors except finance, insurance and real estate showed strength. Trade declined from January to February by -2,100 based on raw data. Most of this decline was in the retail portion(-1,800); within retail, holiday-sensitive areas like general merchandise (-1,300) and other retail (-500) showed the most change. This decline was to be anticipated as part of the post holiday and post year-end clearance shopping doldrums, when the gift exchange counters are apt to be the busiest places in stores. When seasonally adjusted, trade showed a 300 increase. One reason why the seasonal decline was less than usual is that fewer workers (about 500 less than the 5,000 extra usually hired for that period) were added to the work force this past holiday season. So, there were fewer temporary employees to be laid off. Based on raw numbers, construction declined by 500. With the coming of winter, this industry generally goes into hibernation. However, as with trade, this year's February decline was less than usual. Like trade, construction made a 300 gain after seasonal adjustment.

In short, despite some problems ahead, especially in lumber and wood products, the Oregon economy continues to show signs of general good health. □

CURRENT EMPLOYMENT STATISTICS PROGRAM

Mike Staten

The Current Employment Statistics (CES) Program, also known as the BLS 790 Program, is the leading monthly barometer of employment change in the economy. The program consists of a survey that has been in continuous existence since 1915 and is jointly managed by the 50 states and the U.S. Department of Labor, Bureau of Labor Statistics. Its purpose is to report monthly employment, earnings, and hours information for the nation, states, and major subareas of the states.

The survey produces a wide variety of monthly estimates for employment and earnings information that include:

-Numbers of nonfarm employees by industry, at the national, state and local area levels,

-Gross hours and earnings of production and nonsupervisory workers by industry,

-Average hourly earnings of production and nonsupervisory workers by industry,

-Historical tables showing employment, hours, and earnings trends over the years and

-Seasonally adjusted estimates for some types of information.

Information gathered by the survey has many applications. It is used by businesses to guide decisions on plant locations, sales, and purchases and to construct escalation clauses for long-term supply or construction contracts that depend on the movement of average hourly earnings for a selected industry. It is used by labor and management to negotiate labor contracts based upon industry or area hourly earnings and weekly hours series. It is used by businesses and economists to detect and plan for swings in the business cycle using average weekly hours series, and to draw comparisons between a given business and the industry or economy as a whole.

Additional uses by business, labor, and government are to analyze business and economic conditions, project future industry and occupational trends, aid in marketing studies, forecast business cycles, draw new business to the state and local areas, and determine demand for labor in particular industries.

The survey itself is conducted with employers, both large and small, filling out a report form for their pay period which includes the 12th of each month. This employment, payroll and hours report is then returned to the State Employment Security Agency where all the data is collected, tabulated, and transmitted to the U.S. Bureau of Labor Statistics. The report form is then returned to the employer to collect the next month's data.

Additional information on the CES Program is available by writing to:

Cooperating Representative, BLS
State of Oregon Employment Division
Department of Human Resources
875 Union Street N.E.
Salem, OR 97311

or calling:

(503)378-8658 (direct)
1-800-237-3710 X88658 (toll free).□

1983 COVERED EMPLOYMENT & PAYROLL DATA NOW AVAILABLE

The annual publication, Oregon Covered Employment and Payrolls by Industry and County, is now available for 1983. Tables within the publication depict employment and payroll data at the four-digit industry level (using Federal Standard Industrial Classification codes) for the state and two-digit industry level for each Oregon county. If you have not received a copy and would like to be placed on the mailing list, please contact:

Oregon Employment Division R & S
Attn: ES 202
875 Union Street, NE
Salem, OR 97311
Telephone: 378-8654
Toll Free in Oregon: 1-800-237-3710 X 8-8654 □

LABOR FORCE BENCHMARK

Fred Klatz

In last month's issue of Labor Trends an article entitled "Annual Employment Revisions" discussed the process by which nonfarm wage and salary employment estimates for each industry are revised annually. That process essentially involves replacing earlier sample-based industry employment estimates with more complete counts obtained from payroll tax reports of employers covered by the unemployment insurance program. Employment estimates for 1984 on both the old (1983) and new (1984) benchmarks were also compared to illustrate the magnitude of revisions made to the major industry groups.

In this article, we will discuss the annual benchmarking process by which the resident labor force, unemployment, and total employment data are revised, and show the effect this had on the published labor force series.

Before discussing the annual benchmarking procedure, it is first necessary to understand how the monthly estimates are made. The procedure is determined by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). The BLS, in cooperation with the Census Bureau, conducts a monthly household survey nationwide called the Current Population Survey (CPS). From this survey of about 60,000 households, the nation's total employment and unemployment statistics are derived.

In Oregon, estimating unemployment is complicated by the fact that the number of CPS households here is too small (about 800) for direct use. Therefore, an alternate procedure is used. An independent unemployment estimate is derived using unemployment insurance (UI) administrative data, nonfarm industry employment data, special surveys, and Census information. This "handbook" estimate, (so called because the instructions are contained in a technical manual) reflects different data bases among states. This is because unemployment insurance laws differ from state to state. But by adjusting the state handbook results by the U.S. CPS estimates, more comparable employment and unemployment estimates are derived. This CPS adjustment consists of developing a six-month running average for the most current handbook and CPS estimates. The CPS average divided by the handbook average yields an adjustment factor that is applied to the current month's handbook estimate. This process is followed for both the total employment and unemployment estimate.

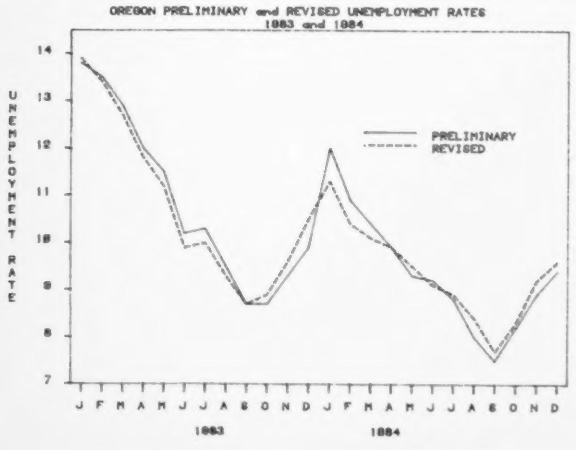
At year end, the annual average CPS data for Oregon is statistically accurate enough (7-1/2% error at a 6% unemployment rate) to use independently. The annual CPS data is then allocated to individual months based on the revised handbook trends.

The table below shows how the revised Oregon labor force data for 1983 and 1984 compares to the estimates previously published.

	Change - Revised vs Preliminary	
	1984	1983
Civilian Labor Force	+13,600	+4,000
Unemployment	+ 1,100	0
Unemployment Rate	No Change (9.4%)	No Change (10.8%)
Total Employment	+12,500	+4,000

Although both the labor force and unemployment levels were revised upward in 1984, the annual average unemployment rate did not change. Also, the slight increase in the revised 1983 employment had no impact on the rate. The monthly unemployment rates (not seasonally adjusted) during 1983 and 1984 also changed very little, as the accompanying graph reveals.

To be sure, benchmarking economic statistics is not a very exciting subject. But it is a necessary annual process to ensure that these data series are sufficiently reliable and accurate to support their many uses, such as policy development and allocation of resources. Those readers who are interested in the more detailed revisions should refer to the 1983 and 1984 labor force tables for Oregon which are included in this issue of Labor Trends. □



STATE UNEMPLOYMENT RATES

Unemployment rates declined in every state between 1983 and 1984, according to annual average estimates released recently by the U.S. Bureau of Labor Statistics. Higher than average unemployment rates were centered in the more highly industrialized states of the East North Central, East South Central, and Pacific regions. The largest year-to-year decrease occurred in Arizona, while West Virginia, at 15.0%, still experienced the highest jobless rate among all the states. New Hampshire and South Dakota had the lowest rates—both 4.3%.

Oregon's unemployment rate dropped to 9.4% last year from 10.8% in 1983. Despite this improvement, Oregon's rate ranked 7th highest in 1984 compared to 13th highest in 1983.

	1984 Rank	1984	1983	Change
United States		7.5	9.6	-2.1
West Virginia	1	15.0	18.0	-3.0
Michigan	2	11.2	14.2	-3.0
Alabama	3	11.1	13.7	-2.6
Mississippi	4	10.8	12.6	-1.8
Louisiana	5	10.0	11.8	-1.8
Alaska	5	10.0	10.3	-0.3
Washington	6	9.5	11.2	-1.7
Ohio	7	9.4	12.2	-2.8
Oregon	7	9.4	10.8	-1.4
Kentucky	8	9.3	11.7	-2.4
Pennsylvania	9	9.1	11.8	-2.7
Illinois	9	9.1	11.4	-2.3
Arkansas	10	8.9	10.1	-1.2
Tennessee	11	8.6	11.5	-2.9
Indiana	11	8.6	11.1	-2.5
Nevada	12	7.8	9.8	-2.0
California	12	7.8	9.7	-1.9
New Mexico	13	7.5	10.1	-2.6
Montana	14	7.4	8.8	-1.4
Wisconsin	15	7.3	10.4	-3.1
Missouri	16	7.2	9.9	-2.7
Idaho	16	7.2	9.8	-2.6
New York	16	7.2	8.6	-1.4
South Carolina	17	7.1	10.0	-2.9
Oklahoma	18	7.0	9.0	-2.0
Iowa	18	7.0	8.1	-1.1
North Carolina	19	6.7	8.9	-2.2
Utah	20	6.5	9.2	-2.7
Florida	21	6.3	8.6	-2.3
Wyoming	21	6.3	8.4	-2.1
Minnesota	21	6.3	8.2	-1.9
Delaware	22	6.2	8.1	-1.9
New Jersey	22	6.2	7.8	-1.6
Maine	23	6.1	9.0	-2.9
Georgia	24	6.0	7.5	-1.5
Texas	25	5.9	8.0	-2.1
Colorado	26	5.6	6.6	-1.0
Hawaii	26	5.6	6.5	-0.9
Maryland	27	5.4	6.9	-1.5
Rhode Island	28	5.3	8.3	-3.0
Vermont	29	5.2	6.9	-1.7
Kansas	29	5.2	6.1	-0.9
North Dakota	30	5.1	5.6	-0.5
Arizona	31	5.0	9.1	-4.1
Virginia	31	5.0	6.1	-1.1
Massachusetts	32	4.8	6.9	-2.1
Connecticut	33	4.6	6.0	-1.4
Nebraska	34	4.4	5.7	-1.3
New Hampshire	35	4.3	5.4	-1.1
South Dakota	35	4.3	5.4	-1.1

HOURS AND EARNINGS

Jason Yohannan

Oregon's long-suffering construction sector, which finally tasted some recovery in 1984, got extra help from Mother Nature in January -an unusually dry, albeit cold, month for typically wet western Oregon. Heavy construction projects continued to roll along, and slight improvement in some real estate markets helped the residential building construction and plumbing-heating-air conditioning sectors a bit. The end result was the longest January workweek for construction workers in Oregon since 1976, 34.2 hours.

Five industries showed moderate to large over-the-month declines in hours. The end of the Christmas rush slowed work in retail trade, where falling weekly hours were concentrated in general merchandise and apparel stores. January hours for apparel manufacturers (37.3) were low compared to December (41.6), but 37.3 was very much in line with what this industry has experienced during January in the past; December was just an unusually high month. Hours for furniture producers dropped dramatically as overtime work came to a virtual halt. Canning and preserving experienced a small loss, entirely at the expense of coastal seafood workers. Now comes the bad news. Commodore Home Systems ceased operations in Linn County, and the state's remaining mobile home manufacturers posted a meager 26.8 hour average workweek, the lowest on record. One month does not constitute a trend, but recent business has not been good in this industry.

Hours and earnings statistics for manufacturing industries are also available for metropolitan areas within Oregon. An accompanying graph shows annual average hourly earnings for production workers in manufacturing industries from 1978 to 1984 for Oregon and its four metropolitan areas (data for Portland prior to 1983 is unavailable because of the recent geographical redefinition, for statistical purposes, of this area). Two themes stand out: 1) average wages differ between metropolitan areas, and 2) earnings increases have slowed recently.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan. 2/ 1985	Dec. 3/ 1984	Jan. 1984	Jan. 2/ 1985	Dec. 3/ 1984	Jan. 1984	Jan. 2/ 1985	Dec. 3/ 1984	Jan. 1984
TOTAL MANUFACTURING 4/	$415.06	$421.08	$411.08	38.9	39.8	39.3	$10.67	$10.58	$10.46
Durable Goods	425.02	432.95	421.74	39.5	40.5	39.9	10.76	10.69	10.57
Lumber & Wood Products	440.16	461.04	437.40	39.3	40.8	39.8	11.20	11.30	10.99
Logging & Sawmills	477.98	491.26	468.06	40.2	40.6	39.7	11.89	12.10	11.79
Veneer & Plywood	433.68	476.02	443.30	39.0	42.2	40.3	11.12	11.28	11.00
Millwork & Struct Wood	339.85	356.00	340.75	38.1	40.0	39.9	8.92	8.90	8.54
Mobile Homes	218.15	258.66	244.61	26.8	32.7	33.1	8.14	7.91	7.39
Other Wood Products	438.90	441.90	447.58	39.9	40.1	40.8	11.00	11.02	10.97
Furniture & Fixtures	235.10	292.99	261.46	31.6	38.4	34.0	7.44	7.63	7.69
Primary Metals	480.73	496.94	513.97	41.3	43.1	43.3	11.64	11.53	11.87
Fabricated Metals	382.28	393.02	388.68	38.0	39.9	39.5	10.06	9.85	9.84
Machinery	431.48	423.28	408.24	40.1	40.7	40.5	10.76	10.40	10.08
Nondurable Goods	386.80	389.88	378.75	37.3	38.0	37.5	10.37	10.26	10.10
Food & Kindred Products	318.76	322.54	312.12	35.3	36.2	36.0	9.03	8.91	8.67
Canning & Preserving	258.96	267.46	252.34	33.2	34.6	34.1	7.80	7.73	7.40
Other Food Products	402.53	403.37	399.25	38.3	38.6	38.8	10.51	10.45	10.29
Textile Mill Products	233.02	231.84	213.24	38.2	38.9	35.6	6.10	5.96	5.99
Apparel	205.52	226.72	212.14	37.3	41.6	38.5	5.51	5.45	5.51
Paper & Allied Products	600.67	614.18	559.08	41.8	43.1	41.2	14.37	14.25	13.57
Printing & Publishing	422.53	406.00	416.42	36.3	35.0	36.4	11.64	11.60	11.44
Construction 4/	487.01	474.50	494.67	34.2	32.5	33.0	14.24	14.60	14.99
Communications & Utilities 5/	493.42	500.35	511.20	39.6	39.9	40.0	12.46	12.54	12.78
Trade 5/	281.87	288.12	283.40	33.2	34.3	33.9	8.49	8.40	8.36
Wholesale Trade	375.55	386.32	390.37	37.0	37.8	37.9	10.15	10.22	10.30
Retail Trade	236.76	242.96	232.96	31.4	32.7	32.0	7.54	7.43	7.28
Banking & Insurance	268.46	277.03	273.42						
State & Local Government	326.70	327.63	320.11						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

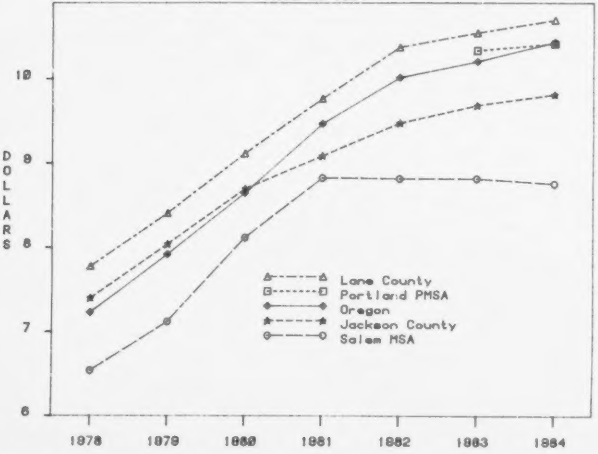
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

The Eugene/Lane County Metropolitan Statistical Area (MSA) shows the highest average manufacturing wage of Oregon's four MSA's, while the Salem MSA (Marion and Polk counties) ranks fourth. Portland ranks right up with Eugene, while Medford/Jackson County falls in between. This does not necessarily indicate that a logger, for example, in Salem would receive less pay than a logger in Eugene. Most of the difference is due to the industrial mix of the areas. Salem's primary manufacturing industry is food products, whereas Eugene relies very heavily on lumber and wood products. On a statewide basis, average hourly earnings in the food products industry ($8.39) during 1984 were significantly lower than hourly earnings in lumber and wood products ($11.09).

The year 1981 brought the beginning of the end of rapid wage increases. Although wages are still climbing (except in Salem, where average wages have fallen slightly), the pace of growth has slowed considerably. This reflects a slowing of Consumer Price Index increases, which several labor contracts are tied to, along with wage concessions granted in the past couple of years by workers in some industries trying to cope with higher production costs (metals) or lower market prices (lumber and wood).□

AVERAGE HOURLY EARNINGS IN MANUFACTURING INDUSTRIES
1978 to 1984



EMPLOYER'S CORNER

Dorothy Monnier

OREGON JOB SERVICE EMPLOYER COMMITTEES (JSECs) WIN THE NATIONAL "OUTSTANDING JSEC OF THE YEAR" AWARD . . . . .

On February 28, 1985, Oregon Job Service Employer Committee's (JSEC's) won national recognition in Washington, D.C. during an Employers National Job Service Committee meeting. They were selected as the "Outstanding Job Service Employer Committee (JSEC) of the year."

JSEC's are groups of employers working at the local and state level to improve the service of the State Employment Division. Oregon was selected because of its demonstrated commitment to government and business working together. This award was presented to Faye Meske, Portland Emanuel Hospital, who is currently the State JSEC chairperson, and to Ray Thorne, Oregon State Employment Division Administrator.

Faye Meske feels an important factor that set Oregon JSEC's apart from other states was the visible working relationship of local Employment Division managers with local employers and the accessibility and responsiveness of the Employment Division Administrator. Oregon JSEC's gained recognition for sponsoring seminars on Unemployment Insurance, UI Hearings Process, Employment at Will, Time Management, Developing Employee Policies and Handbooks, How to Deal with Problem Employees, and other topics. In addition to seminars, the Portland JSEC's voiced a need for the Employment Division to provide service to professional applicants and employers who need managerial or technical applicants. Consequently in November a Pilot Project began in Portland called the "Professional Placement Service".

Ray Thorne sees a direct benefit from the employer involvement in improving agency services. Employers provide a valuable insight into our process.

BECOME INVOLVED with your local JSEC. Contact your nearest Employment Division manager and find out what is happening in your community.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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Department of Human Resources

Research and Statistics
March 1984 Benchmark
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OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1983 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,341.0	1,314.7	1,316.9	1,322.3	1,330.3	1,342.8	1,378.3	1,353.9	1,353.8	1,350.7	1,346.4	1,343.3	1,338.5
UNEMPLOYMENT	145.0	182.3	177.1	168.5	157.0	150.8	136.1	135.9	126.1	116.9	119.7	129.3	140.2
Percent of Labor Force	10.8	13.9	13.4	12.7	11.8	11.2	9.9	10.0	9.3	8.7	8.9	9.6	10.5
Seasonally Adjusted Percent	10.8	12.5	12.3	11.9	11.4	11.3	10.2	10.5	10.1	9.7	9.7	9.7	10.1
TOTAL EMPLOYMENT	1,196.0	1,132.4	1,139.8	1,153.8	1,173.3	1,192.0	1,242.2	1,218.0	1,227.7	1,233.8	1,226.7	1,214.0	1,198.3

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1983 3/ **

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE AND SALARY	966.7	929.7	931.9	940.1	952.6	963.6	988.9	964.6	969.9	990.1	994.1	991.5	983.4
Wage & Salary Empl. Index (1977=100) 4/	103.2	101.4	101.7	101.8	102.4	102.7	103.8	103.0	103.1	103.7	104.4	105.0	105.0
Diffusion Index 5/	58.1	46.2	45.0	50.0	53.9	59.7	65.5	62.0	65.5	60.1	63.9	63.9	62.0
MANUFACTURING, TOTAL	188.8	176.3	176.1	178.1	179.5	182.2	192.8	195.4	201.0	201.3	199.2	194.4	189.6
Durable Goods	135.1	126.3	126.6	128.2	129.8	131.8	137.2	139.0	140.7	141.1	141.1	140.6	138.4
Lumber & Wood Products	62.6	54.7	56.0	57.2	58.8	60.9	65.1	66.4	67.6	68.0	67.2	65.8	63.7
Logging & Sawmills	32.8	28.2	29.3	29.9	30.2	31.6	34.3	35.2	36.0	36.2	35.5	34.5	32.6
Veneer & Plywood	17.7	16.6	16.7	16.9	17.3	17.3	17.8	18.4	18.4	18.4	18.4	18.0	17.9
Millwork & Structural Wood	7.2	5.7	5.8	6.0	6.7	7.1	7.7	7.6	7.8	7.9	7.9	8.0	7.9
Mobile Homes	1.5	1.2	1.1	1.3	1.4	1.5	1.6	1.6	1.7	1.8	1.7	1.7	1.7
Other Wood Products	3.5	3.0	3.1	3.1	3.2	3.4	3.7	3.6	3.7	3.7	3.7	3.6	3.6
Furniture & Fixtures	2.4	2.2	2.2	2.3	2.4	2.4	2.4	2.5	2.6	2.6	2.5	2.6	2.5
Stone, Clay, Glass & Concrete Prod.	3.0	2.8	2.7	2.8	2.9	3.0	3.2	3.1	3.3	3.1	3.1	2.9	2.6
Primary Metals	7.5	7.0	7.1	7.2	7.2	7.3	7.4	7.6	7.8	7.6	7.8	8.1	8.3
Blast Furnaces, Iron & Steel Found.	4.0	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.1	3.8	3.8	4.1	4.3
Nonferrous Metals	3.6	3.1	3.2	3.3	3.3	3.4	3.5	3.6	3.7	3.8	4.0	4.0	4.0
Fabricated Metals	9.4	9.0	8.8	8.7	8.7	8.9	9.4	9.4	9.9	10.2	10.3	10.0	10.0
Fabricated Structural Metals	4.1	3.7	3.7	3.7	3.7	3.9	4.2	4.3	4.4	4.5	4.4	4.3	4.3
Other Fabricated Metals	5.4	5.3	5.1	5.0	5.0	5.0	5.2	5.1	5.5	5.7	5.9	5.7	5.7
Machinery	15.2	15.0	15.0	15.0	15.1	14.9	15.1	15.3	15.4	15.2	15.4	15.5	15.6
Electrical Equipment & Supplies	10.7	10.0	9.8	9.9	10.2	10.3	10.4	10.9	11.1	11.2	11.3	11.5	11.6
Transportation Equipment	7.1	7.4	7.0	7.4	7.1	7.0	7.3	7.2	6.4	6.6	7.0	7.5	7.3
Instruments & Related Products	14.8	16.1	15.8	15.5	15.2	14.9	14.6	14.3	14.2	14.1	14.0	14.1	14.3
Miscellaneous Manufacturing	2.3	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.5	2.5	2.6	2.5
Nondurable Goods	53.8	50.0	49.5	49.9	49.7	50.4	55.6	56.4	60.3	60.2	58.1	53.8	51.2
Food & Kindred Products	24.2	20.8	20.5	20.9	20.9	21.1	26.1	26.5	30.3	30.2	28.0	23.6	20.9
Canning and Preserving	14.1	10.8	10.7	11.4	11.3	11.4	16.1	16.3	20.2	19.9	17.5	13.2	10.7
Other Food Products	10.0	10.0	9.8	9.5	9.6	9.7	10.0	10.2	10.1	10.3	10.5	10.4	10.2
Textile Mill Products	1.7	1.8	1.7	1.7	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7
Apparel	2.6	2.5	2.5	2.6	2.5	2.5	2.5	2.6	2.5	2.7	2.6	2.6	2.6
Paper & Allied Products	9.3	9.5	9.3	9.3	9.2	9.2	9.4	9.6	9.5	9.2	9.3	9.3	9.3
Printing & Publishing	10.4	10.3	10.3	10.2	10.1	10.3	10.2	10.3	10.5	10.5	10.6	10.7	10.8
Chemicals & Allied Products	2.2	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Petroleum Refining	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5
Rubber & Plastic Products	2.5	2.2	2.3	2.3	2.4	2.5	2.6	2.5	2.6	2.7	2.7	2.7	2.7
Leather Products	.5	.4	.4	.4	.4	.5	.5	.5	.5	.5	.5	.5	.5

1983 CONT.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	779.1	753.4	755.8	762.0	773.1	781.4	796.1	769.2	768.9	788.8	794.9	797.1	793.8
Mining & Quarrying	1.6	1.3	1.4	1.4	1.4	1.6	1.8	1.8	1.9	1.9	1.8	1.6	1.4
Construction	27.0	23.0	22.3	22.3	23.9	25.3	27.6	29.5	31.2	31.6	31.6	28.6	26.7
Trans., Comm. & Utilities	55.4	54.2	54.4	54.6	54.7	55.1	55.9	56.3	51.3	57.4	57.1	56.9	57.2
Transportation	32.0	30.2	30.4	30.6	30.8	31.2	31.9	32.4	32.6	33.7	33.4	33.1	33.4
Railroad	5.4	5.3	5.3	5.3	5.4	5.4	5.4	5.4	5.3	5.4	5.6	5.5	5.5
Trucking & Warehousing	16.7	15.1	15.3	15.4	15.6	16.1	16.7	17.5	17.8	18.1	17.6	17.5	17.8
Other Transportation	9.9	9.8	9.8	9.9	9.8	9.7	9.8	9.5	9.5	10.2	10.2	10.1	10.1
Communications	14.8	15.3	15.3	15.2	15.1	15.1	15.2	15.1	10.0	15.1	15.2	15.3	15.3
Utilities	8.7	8.7	8.7	8.8	8.8	8.8	8.8	8.8	8.7	8.6	8.5	8.5	8.5
Trade	242.6	230.3	228.8	231.6	236.3	240.2	246.3	246.1	248.1	250.9	247.8	251.2	253.0
Wholesale Trade	62.6	60.1	60.1	60.7	60.7	61.4	62.5	63.2	64.3	65.3	64.5	64.9	63.5
Durable Goods	36.8	35.4	35.4	35.7	36.1	36.5	37.0	37.8	37.7	37.7	37.6	37.5	37.4
Nondurable Goods	25.8	24.7	24.7	25.0	24.6	24.9	25.5	25.4	26.6	27.6	26.9	27.4	26.1
Retail Trade	180.0	170.2	168.7	170.9	175.6	178.8	183.8	182.9	183.8	185.6	183.3	186.3	189.5
General Merchandise	24.0	23.9	23.1	22.6	22.9	22.8	23.3	23.5	23.5	23.8	24.2	26.4	28.0
Food Stores	27.2	25.9	25.7	25.8	27.2	27.6	28.3	27.5	27.6	27.5	27.5	27.9	28.3
Auto Dealers & Service Stations	22.0	20.4	20.5	20.8	21.3	21.8	22.4	22.7	23.0	23.1	22.7	22.6	22.6
Other Retail Trade	106.7	100.0	99.4	101.7	104.2	106.6	109.8	109.2	109.7	111.2	108.9	109.4	110.6
Finance, Ins., & Real Estate	64.5	62.6	62.6	63.3	64.1	64.4	65.5	65.5	66.0	65.8	65.0	64.5	64.6
Banking & Credit Agencies	23.5	23.4	23.3	23.4	23.3	23.2	23.4	23.6	23.6	23.6	23.6	23.5	23.5
Other Finance, Ins., & Real Estate	41.0	39.2	39.3	39.9	40.8	41.2	42.1	41.9	42.4	42.2	41.4	41.0	41.1
Services	194.6	187.1	189.8	191.4	194.5	195.2	197.2	194.9	195.2	197.6	196.9	197.4	197.8
Hotels & Personal Services	23.0	22.1	22.0	22.5	23.5	23.4	23.9	23.5	23.9	23.6	22.7	22.3	22.1
Health Services	66.4	65.2	65.4	65.7	66.3	66.1	67.1	67.1	67.2	67.2	66.3	66.3	66.3
Other Services	105.3	99.8	102.4	103.2	104.7	105.7	106.2	104.3	104.1	106.8	107.9	108.8	109.4
Government	192.3	194.9	196.5	197.4	198.2	199.6	201.8	175.1	175.2	183.6	194.7	196.9	193.1
Federal	29.0	28.1	27.9	28.1	28.3	29.1	30.3	30.4	30.3	30.1	29.2	28.4	28.2
State Government	51.7	51.7	52.2	52.1	52.6	52.7	54.1	48.7	49.1	49.0	53.3	54.0	51.3
Education	21.5	22.5	22.9	22.8	22.6	22.6	22.4	17.7	17.4	17.7	23.0	23.2	22.7
Other State	30.3	29.2	29.3	29.3	30.0	30.1	31.7	31.0	31.7	31.3	30.3	30.8	28.6
Local Government	111.5	115.1	116.4	117.2	117.3	117.8	117.4	96.0	95.8	104.5	112.2	114.5	113.6
Education	69.4	73.5	75.3	76.0	75.5	75.9	74.3	52.3	52.2	61.9	70.6	73.0	72.3
Other Local	42.1	41.6	41.1	41.2	41.8	41.9	43.1	43.7	43.6	42.6	41.6	41.5	41.3
LABOR-MANAGEMENT DISPUTES	1.3	.0	.0	.2	.2	.5	.7	.7	6.9	2.5	1.4	1.4	1.4

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force using unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1984 Benchmark
March 1985 (Rev.)

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1984 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,335.0	1,324.7	1,319.0	1,322.2	1,334.9	1,340.1	1,363.2	1,342.6	1,334.5	1,333.2	1,340.3	1,333.5	1,331.7
UNEMPLOYMENT	125.0	149.9	137.2	132.9	132.8	126.8	124.4	119.7	111.5	102.9	110.9	122.9	128.1
Percent of Labor Force	9.4	11.3	10.4	10.1	9.9	9.5	9.1	8.9	8.4	7.7	8.3	9.2	9.6
Seasonally Adjusted Percent	9.4	10.0	9.3	9.3	9.6	9.5	9.5	9.4	9.1	8.8	9.0	9.3	9.2
TOTAL EMPLOYMENT	1,210.0	1,174.8	1,181.8	1,189.3	1,202.1	1,213.3	1,238.8	1,222.9	1,223.0	1,230.3	1,229.4	1,210.6	1,203.6

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1984 3/ **

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE AND SALARY	1,004.0	968.1	976.4	985.8	994.8	1,004.2	1,017.0	999.9	1,011.5	1,024.9	1,029.6	1,020.5	1,015.5
Wage & Salary Empl. Index (1977=100) 4/	107.2	105.6	106.6	106.7	106.9	107.0	106.7	106.8	107.6	107.5	108.2	108.1	108.5
Diffusion Index 5/	57.7	59.7	62.4	66.3	67.1	60.9	56.2	52.3	55.1	52.4	55.5	49.2	55.4
MANUFACTURING, TOTAL	198.7	188.1	192.2	192.5	194.9	197.1	200.4	202.0	210.0	209.2	205.4	197.9	195.0
Durable Goods	145.7	137.7	141.1	141.6	144.5	145.7	148.1	148.6	151.4	150.7	148.1	145.8	144.5
Lumber & Wood Products	66.0	62.8	64.4	64.3	65.1	66.0	68.2	67.7	69.1	69.0	66.8	65.2	63.8
Logging & Sawmills	35.2	33.0	33.7	33.7	33.9	34.9	36.9	36.9	37.7	37.4	35.7	34.5	33.5
Veneer & Plywood	17.2	17.1	17.7	17.5	17.8	17.4	17.4	16.7	17.0	17.4	17.1	16.9	16.7
Millwork & Structural Wood	8.2	7.9	7.9	7.9	8.0	8.1	8.2	8.3	8.5	8.4	8.4	8.4	8.4
Mobile Homes	1.6	1.4	1.6	1.6	1.7	1.8	1.8	1.8	1.8	1.7	1.6	1.5	1.3
Other Wood Products	3.8	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.1	4.0	3.9	3.9
Furniture & Fixtures	2.6	2.5	2.5	2.6	2.6	2.7	2.6	2.5	2.6	2.7	2.7	2.8	2.8
Stone, Clay, Glass & Concrete Prod.	2.6	2.4	2.4	2.4	2.5	2.6	2.7	2.8	2.9	2.8	2.7	2.5	2.4
Primary Metals	9.1	8.7	8.8	8.9	9.1	9.1	9.4	9.5	9.3	9.4	9.2	9.2	9.0
Blast Furnaces, Iron & Steel Found.	5.2	4.6	4.7	4.8	4.9	5.0	5.2	5.3	5.4	5.5	5.5	5.5	5.5
Nonferrous Metals	4.0	4.1	4.1	4.1	4.2	4.1	4.2	4.2	3.9	3.9	3.7	3.7	3.5
Fabricated Metals	10.3	9.6	9.9	10.1	10.2	10.3	10.3	10.3	10.6	10.6	10.5	10.5	10.4
Fabricated Structural Metals	4.8	4.2	4.4	4.5	4.5	4.6	4.8	4.8	5.1	5.1	5.0	5.0	5.0
Other Fabricated Metals	5.5	5.4	5.5	5.6	5.7	5.7	5.5	5.5	5.5	5.5	5.5	5.5	5.4
Machinery	15.7	14.7	15.1	15.3	15.6	15.7	15.7	15.8	15.8	15.8	16.2	16.1	16.1
Electrical Equipment & Supplies	13.9	12.5	12.6	12.8	13.5	13.7	14.0	14.1	14.6	14.7	14.8	15.0	14.9
Transportation Equipment	8.3	7.8	8.6	8.3	9.0	8.7	8.1	8.8	9.2	8.4	8.0	7.3	7.8
Instruments & Related Products	14.4	14.3	14.4	14.4	14.3	14.3	14.5	14.3	14.5	14.5	14.4	14.4	14.5
Miscellaneous Manufacturing	2.7	2.4	2.4	2.5	2.6	2.6	2.6	2.8	2.8	2.8	2.8	2.8	2.8
Nondurable Goods	53.1	50.4	51.1	50.9	50.4	51.4	52.3	53.4	58.6	58.5	57.3	52.1	50.5
Food & Kindred Products	22.8	20.7	21.1	20.7	20.3	21.0	21.3	22.5	27.9	28.5	27.3	22.2	20.6
Canning and Preserving	12.5	10.7	11.1	11.0	10.3	10.8	10.9	11.8	17.1	18.0	16.5	11.7	10.1
Other Food Products	10.3	10.0	10.0	9.7	10.0	10.2	10.4	10.7	10.8	10.5	10.8	10.5	10.5
Textile Mill Products	1.7	1.8	1.8	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Apparel	2.8	2.6	2.7	2.8	2.8	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.7
Paper & Allied Products	9.0	9.0	9.0	9.0	9.0	9.0	9.3	9.5	9.2	8.6	8.5	8.6	8.9
Printing & Publishing	10.9	10.6	10.8	10.9	10.7	10.9	11.0	11.0	11.0	11.1	11.1	11.0	11.1
Chemicals & Allied Products	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.1	2.1	2.1	2.1	2.1	2.1
Petroleum Refining	.5	.5	.5	.5	.5	.5	.6	.6	.6	.6	.6	.5	.3
Rubber & Plastic Products	2.8	2.6	2.6	2.7	2.8	2.8	2.9	2.8	2.9	2.8	2.9	2.9	2.8
Leather Products	.5	.5	.5	.5	.5	.5	.5	.5	.5	.4	.4	.4	.4

1984 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	805.3	780.0	784.2	793.3	799.9	807.1	816.6	797.9	801.5	815.7	824.2	822.6	820.5
Mining & Quarrying	1.6	1.3	1.3	1.4	1.5	1.7	1.7	1.8	1.8	1.8	1.7	1.3	1.3
Construction	29.9	25.5	25.4	26.2	27.0	28.6	30.6	33.2	34.6	34.1	32.9	31.0	29.7
Trans., Comm. & Utilities	56.2	56.1	56.0	56.5	56.0	56.4	56.9	56.8	56.6	56.5	56.0	55.4	55.1
Transportation	33.4	32.6	32.7	33.1	33.4	33.7	33.9	34.0	34.0	34.1	33.7	33.1	32.9
Railroad	5.4	5.4	5.4	5.5	5.4	5.4	5.4	5.4	5.4	5.4	5.3	5.2	5.2
Trucking & Warehousing	17.7	16.8	17.0	17.2	17.4	17.6	18.0	18.3	18.3	18.2	18.3	17.9	17.7
Other Transportation	10.3	10.4	10.3	10.4	10.6	10.7	10.5	10.3	10.3	10.5	10.1	10.0	10.0
Communications	14.1	15.0	14.9	15.0	14.0	14.1	14.2	14.0	13.8	13.7	13.7	13.7	13.6
Utilities	8.6	8.5	8.4	8.4	8.6	8.6	8.8	8.8	8.8	8.7	8.6	8.6	8.6
Trade	252.4	241.6	240.5	243.8	247.7	250.5	254.4	254.7	256.9	259.8	258.1	259.8	261.3
Wholesale Trade	64.2	61.9	61.9	62.4	63.1	63.5	64.4	64.9	65.2	65.9	66.1	65.6	65.6
Durable Goods	38.0	36.7	36.8	37.1	37.8	38.0	38.4	38.5	38.6	38.5	38.5	38.3	38.4
Nondurable Goods	26.2	25.2	25.1	25.3	25.3	25.5	26.0	26.4	26.6	27.4	27.6	27.3	27.2
Retail Trade	188.2	179.7	178.6	181.4	184.6	187.0	190.0	189.8	191.7	193.9	192.0	194.2	195.7
General Merchandise	24.8	25.7	24.2	24.0	24.1	24.1	24.1	24.4	24.6	24.5	24.9	26.4	26.9
Food Stores	28.1	27.2	26.7	26.8	27.3	27.2	27.9	28.4	28.6	28.8	29.0	29.3	29.5
Auto Dealers & Service Stations	24.1	22.4	22.7	23.0	23.6	24.1	24.6	24.8	25.0	24.9	24.7	24.5	24.5
Other Retail Trade	111.3	104.4	105.0	107.6	109.6	111.6	113.4	112.2	113.5	115.7	113.4	114.0	114.8
Finance, Ins., & Real Estate	65.7	63.8	64.1	64.5	64.9	64.4	66.3	66.7	66.9	66.9	66.8	66.4	66.5
Banking & Credit Agencies	23.5	23.3	23.3	23.5	23.4	23.5	23.6	23.6	23.7	23.6	23.3	23.3	23.3
Other Finance, Ins., & Real Estate	42.2	40.5	40.8	41.0	41.5	40.9	42.7	43.1	43.2	43.3	43.5	43.1	43.2
Services	205.0	196.1	198.8	201.9	204.7	205.8	207.0	206.5	208.1	208.5	209.0	206.9	206.6
Hotels & Personal Services	23.5	22.2	22.4	23.1	23.5	23.9	24.5	24.4	24.4	24.2	23.6	23.1	22.8
Health Services	67.5	65.9	66.2	66.7	67.1	67.1	67.8	67.9	68.4	68.1	68.6	68.4	68.2
Other Services	114.0	108.0	110.2	112.1	114.1	114.8	114.7	114.2	115.3	116.2	116.8	115.4	115.6
Government	194.6	195.6	198.1	199.0	198.1	199.7	199.7	178.2	176.6	188.1	199.7	201.8	200.0
Federal	29.1	27.7	27.6	27.7	28.0	28.5	30.0	30.2	30.2	29.7	29.8	29.8	29.9
State Government	54.5	55.3	55.9	56.3	55.7	55.9	55.7	51.1	50.8	51.0	55.9	56.0	54.8
Education	21.9	22.6	23.3	23.4	22.9	22.9	22.9	17.9	17.7	18.1	23.6	23.9	23.2
Other State	32.7	32.7	32.6	32.9	32.8	33.0	32.8	33.2	33.1	32.9	32.3	32.1	31.6
Local Government	110.9	112.6	114.6	115.0	114.4	115.3	114.0	96.9	95.6	107.4	114.0	116.0	115.3
Education	69.3	72.2	73.9	73.9	73.2	73.1	71.3	54.1	53.2	65.4	72.3	74.4	74.1
Other Local	41.7	40.4	40.7	41.1	41.2	42.2	42.7	42.8	42.4	42.0	41.7	41.6	41.2
LABOR-MANAGEMENT DISPUTES	.8	.9	.9	.9	.9	.6	.6	.2	.7	.9	.9	.9	.6

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force using unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

5G615-2

OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
APRIL 1985

MARCH INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj.)
Mar.	1985	9.5
Feb.	1985	9.3
Mar.	1984	9.3
U.S.		
Mar.	1985	7.3
Feb.	1985	7.3
Mar.	1984	7.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon		1977=100
Mar.	1985	109.4
Feb.	1985	109.6
Jan.	1985	109.3
Dec.	1984	108.5
Nov.	1984	108.1

DIFFUSION INDEX

Oregon		
Mar.	1985	53.9
Feb.	1985	57.0
Jan.	1985	57.0
Dec.	1984	55.4
Nov.	1984	49.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Feb.	1985	38.4
Jan.	1985	39.0
Feb.	1984	38.9

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
Mar. 1985	309.0
Yearly Change	+ 3.7%
U.S.	
Mar. 1985	318.8
Yearly Change	+ 3.7
Portland Hotline	221-4132

MONTHLY ECONOMIC ANALYSIS

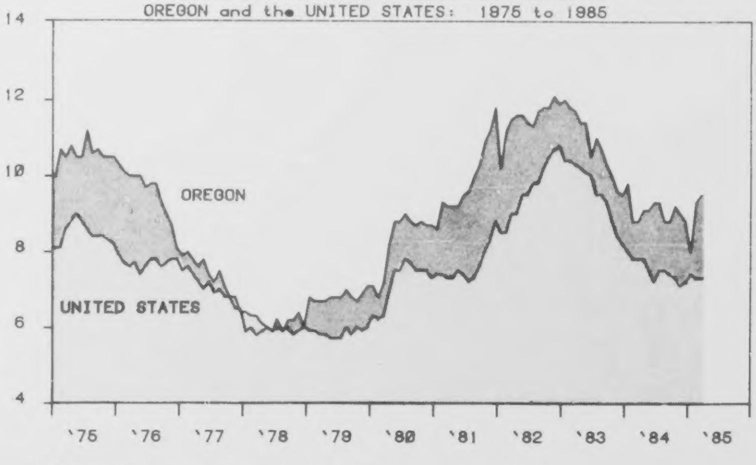
Jason Yohannan

Oregonians were given a double dose of distasteful economic news in the latest employment statistics. These numbers showed, first, that February's seasonally adjusted unemployment rate, initially reported as 8.9%, was revised to 9.3%, and second, the rate for March was an even higher 9.5%. Despite the rise in March's seasonally adjusted rate, the raw rate of unemployment declined from 11.4% to 11.1%, as 5,500 more residents were working and 4,500 fewer residents were looking for work when compared to February.

How does 9.5% stack up against other unemployment rates? Last month in Oregon Labor Trends, we saw how Oregon's 1984 annual average unemployment rate of 9.4% ranked among the "top ten" states with high unemployment rates. The United States rate then was 7.5%. The national seasonally adjusted civilian unemployment rate for March has been pegged at 7.3%, so it's a good bet that we are maintaining our high national ranking. It is unfortunate, but not new, that this state's rate is above the national average because that has been the case ever since Oregon's glory days of the late seventies ended. High interest rates during the eighties have been a major reason, though not the only one, for this disparity in unemployment rates between Oregon and the nation.

Another point, though, when discussing unemployment rates, is not just where they stand, but where they are going. Asking 10 different economists can yield 10 different answers. No one can predict the future, but we can peek at some signs for a clue.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



*Civilian Labor Force Only

RESIDENT OREGON LABOR FORCE

	MAR. 1985 1/	FEB. 1985 2/	CHANGE	% CHANGE	MAR. 1984 5/
CIVILIAN LABOR FORCE 3/	1,322,000	1,321,000	1,000	0.1	1,322,200
UNEMPLOYMENT	146,700	151,200	- 4,500	- 3.0	132,900
PERCENT OF LABOR FORCE	11.1	11.4	XXX	XXX	10.1
SEASONALLY ADJUSTED PERCENT	9.5	9.3	XXX	XXX	9.3
TOTAL EMPLOYMENT 4/	1,175,300	1,169,800	5,500	0.5	1,189,300

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	MAR. 1985 1/	FEB. 1985 2/	MAR. 1984	FEB. 1985	MAR. 1984
TOTAL 3/	1,011,100	1,002,900	985,800	8,200	25,300
WAGE & SALARY EMPLOYMENT INDEX 4/	109.4	109.6	106.7	XXX	XXX
DIFFUSION INDEX 5/	53.9	57.0	66.3	XXX	XXX
TOTAL MANUFACTURING	192,600	193,100	192,500	- 500	100
DURABLE GOODS	142,200	142,700	141,600	- 500	600
LUMBER & WOOD PRODUCTS	62,100	62,500	64,300	- 400	- 2,200
LOGGING & SAWMILLS	31,800	32,200	33,700	- 400	- 1,900
VENEER & PLYWOOD	16,500	16,700	17,500	- 200	- 1,000
MILLWORK & STRUCTURAL WOOD	8,300	8,300	7,900	0	400
MOBILE HOMES	1,500	1,400	1,600	100	- 100
OTHER WOOD PRODUCTS	4,000	3,900	3,600	100	400
FURNITURE AND FIXTURES	2,900	2,800	2,600	100	300
STONE, CLAY, GLASS & CONCRETE	2,400	2,300	2,400	100	0
PRIMARY METALS	9,100	8,900	8,900	200	200
BLAST FURNACES, IRON & STEEL	5,700	5,600	4,800	100	900
NONFERROUS METALS	3,400	3,300	4,100	100	- 700
FABRICATED METALS	9,900	10,000	10,100	- 100	- 200
FABRICATED STRUCTURAL METALS	4,800	4,900	4,500	- 100	300
OTHER FABRICATED METALS	5,100	5,100	5,600	0	- 500
MACHINERY	15,600	15,500	15,300	100	300
ELECTRICAL EQUIPMENT & SUPPLIES	14,400	14,700	12,800	- 300	1,600
TRANSPORTATION EQUIPMENT	8,300	8,600	8,300	- 300	0
INSTRUMENTS & RELATED PRODUCTS	14,700	14,600	14,400	100	300
MISCELLANEOUS MANUFACTURING	2,800	2,800	2,500	0	300
NONDURABLE GOODS	50,400	50,400	50,900	0	- 500
FOOD & KINDRED PRODUCTS	20,700	20,600	20,700	100	0
CANNING & PRESERVING	10,700	10,800	11,000	- 100	- 300
OTHER FOOD PRODUCTS	10,000	9,800	9,700	200	300
TEXTILE MILL PRODUCTS	1,600	1,600	1,700	0	- 100
APPAREL	2,500	2,600	2,800	- 100	- 300
PAPER & ALLIED PRODUCTS	8,800	8,800	9,000	0	- 200
PRINTING & PUBLISHING	11,100	11,000	10,900	100	200
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	500	0	- 100
RUBBER & PLASTIC PRODUCTS	2,700	2,800	2,700	- 100	0
LEATHER PRODUCTS	500	500	500	0	0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAR. 1985	FEB. 1985	MAR. 1984	CHANGE FROM FEB. 1985	CHANGE FROM MAR. 1984
(CONT.)					
TOTAL NONMANUFACTURING	818,500	809,800	793,300	8,700	25,200
MINING & QUARRYING	1,400	1,200	1,400	200	0
CONSTRUCTION	28,500	27,400	26,200	1,100	2,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	54,300	54,500	56,500	- 200	- 2,200
TRANSPORTATION	32,300	32,300	33,100	0	- 800
RAILROAD	5,200	5,100	5,500	100	- 300
TRUCKING & WAREHOUSING	17,200	17,300	17,200	- 100	0
OTHER TRANSPORTATION	9,900	9,900	10,400	0	- 500
COMMUNICATIONS	13,400	13,600	15,000	- 200	- 1,600
UTILITIES	8,600	8,600	8,400	0	200
TRADE	254,000	249,800	243,800	4,200	10,200
WHOLESALE TRADE	65,900	65,200	62,400	700	3,500
DURABLE GOODS	38,800	38,400	37,100	400	1,700
NONDURABLE GOODS	27,100	26,800	25,300	300	1,800
RETAIL TRADE	188,100	184,600	181,400	3,500	6,700
GENERAL MERCHANDISE	22,900	22,600	24,000	300	- 1,100
FOOD STORES	30,000	29,100	26,800	900	3,200
AUTO DEALERS & SERVICE STATIONS	24,700	24,100	23,000	600	1,700
OTHER RETAIL TRADE	110,500	108,800	107,600	1,700	2,900
FINANCE, INSURANCE, & REAL ESTATE	67,600	67,100	64,500	500	3,100
BANKING & CREDIT AGENCIES	23,100	23,100	23,500	0	- 400
OTHER FINANCE, INSURANCE, & REAL ESTATE	44,500	44,000	41,000	500	3,500
SERVICES	209,100	207,200	201,900	1,900	7,200
HOTELS & PERSONAL SERVICES	23,600	23,000	23,100	600	500
HEALTH SERVICES	68,900	68,500	66,700	400	2,200
OTHER SERVICES	116,600	115,700	112,100	900	4,500
GOVERNMENT	203,600	202,600	199,000	1,000	4,600
FEDERAL GOVERNMENT	29,600	29,500	27,700	100	1,900
STATE GOVERNMENT	56,300	55,800	56,300	500	0
EDUCATION	23,700	23,600	23,400	100	300
OTHER STATE	32,600	32,200	32,900	400	- 300
LOCAL GOVERNMENT	117,700	117,300	115,000	400	2,700
EDUCATION	76,200	76,100	73,900	100	2,300
OTHER LOCAL	41,500	41,200	41,100	300	400
LABOR-MANAGEMENT DISPUTES	600	600	900	0	- 300

1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

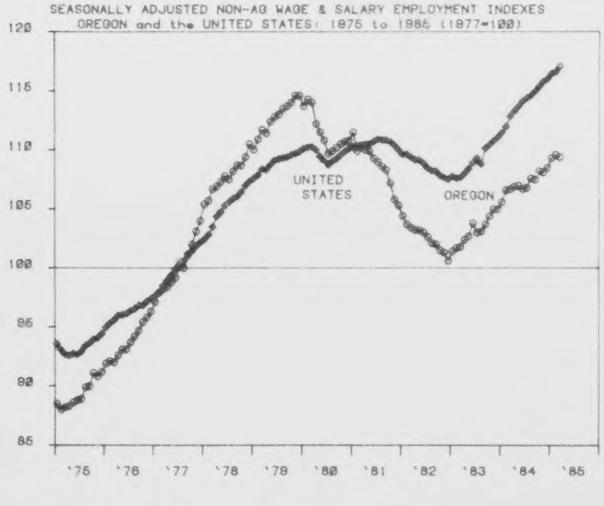
4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

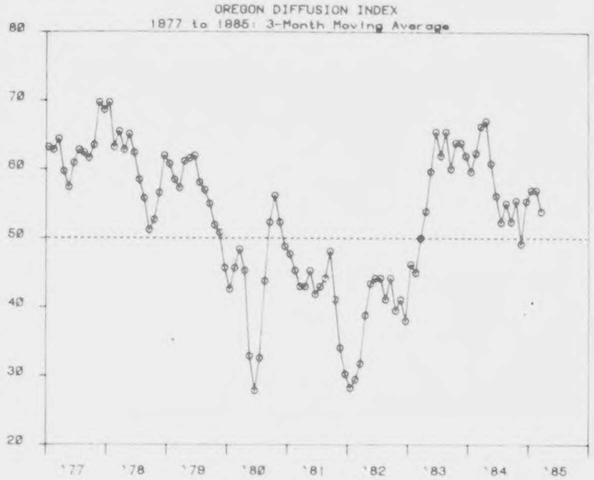
5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

One sign often looked at is the diffusion index. This indicator gauges the percentage of selected Oregon industries which are experiencing seasonally adjusted employment gains. March came in with a score of 53.9. Any reading over 50 means that more than half of the measured industries are expanding. Incomplete conclusions would be drawn by simply looking at one month of this index, however. Unlike the wage and salary employment index, which compares the month in question to a base year (1977), the diffusion index keys on over-the-month change with consideration given to rate of change. Thus, there is sometimes a "yo-yo" effect. In other words, if a given month comes in with unusually low employment (perhaps because of severe weather, temporary layoffs, or even statistical quirks), the diffusion index will be hurt. Then, even if the next month is only an average month, it will look good by comparison, and the diffusion index will jump.

The opposite effect can also occur. A month may be very strong, employment-wise, and the index will likewise be strong. Even if the following month is still a reasonably good one, the over-the-month growth, when compared to a very strong month, will be slight, and the diffusion index will reflect it. The last seven months of 1984 experienced much of this "yo-yo" effect, although the effect is tempered by a three-month moving average. March's reading of 53.9 is above average in itself, but coming on the heels of three months of encouraging diffusion indices, it continues to suggest improvement in coming months, even though March 1985 unemployment is already higher than March 1984. As always, time will tell.

A second sign to focus on involves the specifics of employment changes by industry. Although the Oregon economy created 8,200 payroll jobs between February and March, a normal seasonal increase would have been 9,400, and that is why the wage and salary employment index fell by .2. One specific industry of note is lumber and wood products. In late 1984 and early 1985, when some companies in the wood products sector were announcing employee layoffs or even mill closures, the Employment Division continued to release monthly statistics showing seasonally adjusted employment in lumber and wood products as steady or even increasing. Were the companies just fooling? Were we wrong? March told us that the answer to both questions is no. It just took a couple of months for the full effect of the earlier negative headlines to become negative statistics. The industry lost 600 jobs, seasonally adjusted, in March, and more declines are still on the way. These losses will have a long term impact.


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and the UNITED STATES: 1875 to 1885 (1877=100)


OREGON DIFFUSION INDEX
1877 to 1885: 3-Month Moving Average

Two other economic sectors which contributed to the bad news for March were services and the group of manufacturers known as "high tech" (i.e. electronic computing machinery, electrical equipment, and instruments and related products). Many Oregonians are hoping that high tech growth can offset declines in other manufacturing industries and then go even further than that. Quite the opposite happened in March, when this cluster of industries dropped several hundred jobs themselves. Most observers feel that this group of technology industries, unlike lumber and wood products, is undergoing a slow market period rather than a major retrenchment, and jobs lost now will be recovered later. The impact here should be short term.

Employment in services has been quietly, but steadily, growing for months. Not so in March. Even with a 1,900 gain, it is 1,000 too low when normal seasonal factors are considered. What season is March? Tax season. Accounting and bookkeeping services, which generally add staff in March, did not do so this year according to preliminary figures. Reasons for this might include increased automation of tax preparation, or more self-preparation of tax forms. Some reports say that taxpayers are simply delaying the filing of tax returns. If the latter is true, we can expect better numbers when April figures are released. Another part of services which contributed to the decline was private education. Employment statistics for private education can be quite erratic because of the large number of college and university students employed part-time. The timing of "spring break" seems to have made March a lower-than-usual month for private education employment. As with accounting and bookkeeping services, April should see a rebound. Again, this impact should be short term.

The above impacts, whether short or long term, were nevertheless negative. Not all of March was bad. Parts of the trade sector continue to give signs of hope. Trade's gain of 4,200 jobs was 1,700 more than anticipated. Auto, boat, recreational vehicle, and motorcycle dealers along with service stations, continued to show strength in March. Each industry employs hundreds more than last year, and combined they have 4,000 more on their payrolls than two years ago. These gains point out that people still have disposable income to spend on "big ticket" items. Sales really took off in 1983, especially because pent up demand was released when the economy began improving. Most of that pent up demand has been accommodated since 1983, but sales continue to do well. Record profits in Detroit mean that American cars are selling, so dealers, including those in Oregon, are benefiting. Imports haven't been hurting, either, and more Oregonians have been earning a living working for import dealers. If the consumer economy was feeling a severe pocketbook pinch, one of the first places it would likely pinch off would be luxury items such as new cars, boats, and RV's; and we are not seeing this occurring. These parts of trade are more sensitive to changes in the economy than food stores, for example, and what they continue to tell us is still good news.

The word "imports" cropped up in the last paragraph. Imports and trade balances are a hot topic these days, and numerous Oregon workers are highly likely to be affected by upcoming Congressional and/or Presidential action. Unfortunately, it could pit one sector of Oregon's economy against another. Lumber and wood products producers, for instance, have faced stiff competition from Canada recently, and would probably favor increased protectionism. Likewise, the textile and apparel industries have had to go up against manufacturers from the Far East, and would probably have similar sentiments. Electronics and communications also could be added to the list. Washington, D.C., in trying to reduce the federal deficit, is aiming at reducing balance-of-trade deficits as one step in that direction. Japan is a primary target since the sentiment is that Japanese markets are not as open to American products. If the action against Japan or any other country is too severe, the backlash could hurt Oregon's transportation, government, trade, and agriculture industries.

According to statistics released by First Interstate Bank of Oregon and reported in The Oregonian, 1984 was a record year for trade through Oregon ports (both airports and marine ports). More than half of this business was trade between Oregon and Japan, most notably imports of Japanese cars. Should a hostile trade war between Japan and the U.S. begin, workers in the terminals on the Columbia and Willamette Rivers and the bays on the coast would see significantly reduced activity. Reduced private sector activity would decrease employment in transportation (e.g., cargo handlers), and reduced public sector activity would hurt government employment (e.g., port districts). Also, the flood of imports has lowered prices for consumers, and happy consumers make for happy retailers. Parts of the trade industry may be adversely affected by a trade war. Wheat was the state's major export commodity, and a hostile trade war could close some markets to farm products, affecting Oregon's agriculture industry. So, the answers to the trade imbalance are not easy ones to come by, and Oregon should watch upcoming federal action closely.

To sum up, March showed that the battle against unemployment is far from over and that the recovery has unquestionably slowed. Parts of the slowing will have lasting effects, but much of it is only short term. It is doubtful that the recovery is over, given some signs of improvement still cropping up. Much depends on outside factors, such as political forces in our nation's capital.□

LOCAL AREA UNEMPLOYMENT STATISTICS

Fred Klatz

Each year two major programs in the Labor Market Information system undergo a series of data revisions called benchmarking. In last month's issue of Labor Trends we discussed the revisions undertaken in the Current Employment Statistics (CES) program. In this article we will look at the benchmarking process in the Local Area Unemployment Statistics (LAUS) program, since it makes extensive use of the revised employment data.

The LAUS program has three primary sources of information which are used to produce the unemployment rates for the state and labor market areas within the state.

The first is the CES program, which provides estimates of wage and salary employment by industry as well as information on strike activity. Each year, as more current data becomes available from employer unemployment insurance (UI) tax reports, sample-based wage and salary employment estimates are revised to reflect the new data. As this revised wage and salary employment data becomes available, it is incorporated into the unemployment estimating program.

The second source of data is the Unemployment Insurance system. As people become unemployed, many of them file for unemployment insurance benefits. This activity is recorded and kept on computer files along with records of payment. These computer files form a primary source of data for determining the number of unemployed within the state. In addition, other states near Oregon that process UI claims of Oregon residents send these data to Oregon so that a more complete count may be obtained. Oregon reciprocates by providing their individual LAUS programs with comparable data. Since these are actual counts of UI claimants rather than data based on a sample survey, there is usually not much revision to these data at benchmarking time.

The third source of information for the LAUS program is the U.S. Bureau of Labor Statistics (BLS). This is the federal agency which provides funding on a contract basis for Oregon's unemployment and employment estimating programs. As part of this contract, BLS is obligated to supplement Oregon's UI claimant counts with other data. Examples of this are information collected through the national Current Population Survey. This survey, conducted by the U.S. Bureau of the Census, contacts approximately 800 households in Oregon each month and asks a series of questions. Some of these questions have to do with employment, unemployment and labor force status. This information is of primary interest to the LAUS program and is used to supplement the other sources of available labor force data.

BLS also provides data on unemployed railroad workers in Oregon. These people do not use the unemployment insurance system provided by the state, but have their own unemployment insurance system. The railroad data is like UI data; administrative in nature and not subject to very much revision at benchmarking time. However, the sample-based data from the Current Population Survey which reflect all unemployed workers regardless of whether they are UI claimants, are revised each year and incorporated into the benchmarking process.

All of these revisions are incorporated into the LAUS program at the state level. Each year, the statewide estimates are recomputed for the previous two years. Unemployment estimates for each local labor market area are also revised for the previous two years.

At present, the benchmarking process has been completed only for 1984 unemployment data. Although revisions to 1983 unemployment data are not yet finished, we can make an economic comparison between the two years using preliminary 1983 jobless rates. Normally, little change is made to state and local unemployment rates as a result of benchmarking. The accompanying table shows annual average unemployment rates for local areas in Oregon for 1984 and 1983. One thing that is readily apparent is the substantial improvement in Oregon's economy between 1983 and 1984. This improvement was reflected in most labor market areas with corresponding declines in their unemployment rates. The exceptions to this generally improving trend were Coos and Curry counties on the south coast, which continued to suffer from serious problems in food processing (closure of several fish canneries), fishing (reduced season), and lumber and wood products (mill closures, reduced hours). Jefferson County, in Central Oregon, had increased unemployment due to the closure of a major potato processing plant and reduced farm incomes which in turn caused some reductions in retail trade employment. The northeastern block of counties, Morrow, Umatilla, Union, and Wallowa, showed substantial increases in their annual average unemployment rates. These counties are oriented toward lumber and agriculture. In lumber and wood products there has been at least one mill fully closed, with other mills reducing shifts. This in turn has led to reduced orders for logs from contract cutters. In agriculture, wheat and cattle prices have been down, thereby depressing farm income.

These two industries are only the tip of the iceberg; many other industries also have suffered declines in this area. For example, in Umatilla County the closure of a large hospital cut 200 to 300 from the government payroll. Closure of the large branch office of a telephone company cost another 60 to 100 jobs. All of these losses and slow downs have a ripple effect through the rest of the economy which is difficult to quantify.

Local Area Unemployment Rates

	1984 Rank	1984	1983	Change
Oregon	--	9.4%	10.8%	-1.4
Baker	1	15.2	18.3	-3.1
Coos	2	14.9	14.5	+0.4
Grant	3	14.2	14.6	-0.4
Curry	4	13.4	13.2	+0.2
Wallowa	5	13.2	11.4	+1.8
Hood River	6	13.0	13.6	-0.6
Linn	6	13.0	13.7	-0.7
Jefferson	8	12.9	10.9	+2.0
Tillamook	9	12.6	13.3	-0.7
Harney	10	12.3	14.6	-2.3
Josephine	10	12.3	13.4	-1.1
Wasco-Sherman	10	12.3	12.6	-0.3
Douglas	13	12.1	12.9	-0.8
Umatilla	13	12.1	11.7	+0.4
Deschutes	15	12.0	13.3	-1.3
Union	15	12.0	10.3	+1.7
Lake	17	11.6	11.8	-0.2
Klamath	18	11.5	11.9	-0.4
Crook	19	11.3	11.8	-0.5
Wheeler	19	11.3	12.5	-1.2
Malheur	21	11.2	12.6	-1.4
Clatsop	22	11.0	12.4	-1.4
Lincoln	23	10.2	11.5	-1.3
Morrow	24	10.1	9.3	+0.8
Medford MSA (Jackson Co.)	25	10.0	12.0	-2.0
Eugene/Springfield MSA	26	9.5	11.4	-1.9
Salem MSA	27	8.9	10.3	-1.4
Columbia	27	8.9	10.1	-1.2
Portland PMSA	29	7.9	9.8	-1.9
Gilliam	30	6.2	6.2	0.0
Benton	31	5.7	6.1	-0.4

The overall pattern of having the larger, more metropolitan labor market areas (MSA's) near the bottom of the unemployment rate list, and smaller counties occupying the higher places in the table, is not uncommon. For example, the first five counties in the table, Baker, Coos, Grant, Curry, and Wallowa, typically have higher unemployment rates than the state. Coos and Wallowa have not had an annual average unemployment rate below the state average between 1970 and 1984. Grant County went below the state average in 1971, and Curry's annual average tied the state rate in 1972. The MSA's, which contain about 70 percent of the state's labor force, have the necessary diversification in their economies and large enough populations to better withstand economic downturns. Smaller economies tend to be dependent on one or two industries whose health determines the health of the county.

The benchmarking process is fairly complex and drawn out, but it is important because it improves the accuracy of unemployment rates, which are used as a primary indicator of an area's economic health.□

HOURS AND EARNINGS

Mike Staten

February's hours and earnings were pretty typical. Average weekly hours dropped by .6 between January and February for total manufacturing, 1.0 hour for construction, and .7 hour for trade. This year's average workweek was down slightly for manufacturing activities over last year, but construction, and communications and utilities were up nearly a full hour per week.

The average workweek in durable goods manufacturing dropped .9 hour. This was totally a result of the extremely good weather in January, which boosted that month's average workweek and made February's look worse than it really was. In fact, between 1975 and 1984, February's workweek averaged 38.8, matching this year.

Total nondurable goods manufacturing posted no change in February's average workweek, but there were counteracting changes within the sector. Canning and preserving dropped nearly a full hour per week from the January level and nearly two hours per week from last year. The driving force was a 30% decline in overtime hours resulting from increased numbers of employees. At the same time, most other areas of nondurable goods manufacturing experienced increased workweeks, a condition not unusual for this time of year.

An average drop of 1.0 hour per week came in the construction industry, with general and heavy construction activities hardest hit. This year's average workweek, however, was a marked improvement over February 1984's.

Wholesale and retail trade both posted shorter average workweeks in February than in January. The change between the two months was comparable with the same period last year, although the actual length of the retail trade workweek was .8 hour less this February than last.

All in all, hours and earnings data for February showed no surprises and, in fact, followed the January to February pattern exhibited during the past few years.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb. 2/ 1985	Jan. 3/ 1985	Feb. 1984	Feb. 2/ 1985	Jan. 3/ 1985	Feb. 1984	Feb. 2/ 1985	Jan. 3/ 1985	Feb. 1984
TOTAL MANUFACTURING 4/	$405.12	$413.79	$406.12	38.4	39.0	38.9	$10.55	$10.61	$10.44
Durable Goods	412.06	425.58	415.15	38.8	39.7	39.5	10.62	10.72	10.51
Lumber & Wood Products	432.57	446.08	421.68	38.9	39.9	38.9	11.12	11.18	10.84
Logging & Sawmills	460.53	483.98	451.21	38.7	40.5	39.1	11.90	11.95	11.54
Veneer & Plywood	451.77	453.17	431.24	40.7	40.9	39.6	11.10	11.08	10.89
Millwork & Struct Wood	325.60	326.20	318.57	37.0	36.9	37.7	8.80	8.84	8.45
Mobile Homes	249.96	247.51	253.56	31.6	30.9	32.3	7.91	8.01	7.85
Other Wood Products	426.52	426.78	430.95	40.2	39.7	39.5	10.61	10.75	10.91
Furniture & Fixtures	271.36	242.24	265.44	35.8	32.0	33.9	7.58	7.57	7.83
Primary Metals	494.70	476.76	489.14	42.5	41.1	41.7	11.64	11.60	11.73
Fabricated Metals	379.48	382.41	380.16	38.1	37.9	38.4	9.96	10.09	9.90
Machinery	422.18	423.07	411.46	40.4	39.8	40.3	10.45	10.63	10.21
Nondurable Goods	383.24	381.39	378.79	37.1	37.1	37.1	10.33	10.28	10.21
Food & Kindred Products	326.43	320.92	319.87	35.1	35.5	35.9	9.30	9.04	8.91
Canning & Preserving	263.41	259.41	265.14	32.4	33.3	34.3	8.13	7.79	7.73
Other Food Products	414.38	408.67	395.20	38.8	38.7	38.0	10.68	10.56	10.40
Textile Mill Products	231.95	229.59	225.51	37.9	37.7	37.9	6.12	6.09	5.95
Apparel	208.68	201.05	207.10	37.6	37.3	38.0	5.55	5.39	5.45
Paper & Allied Products	580.05	588.35	559.06	41.7	41.0	40.6	13.91	14.35	13.77
Printing & Publishing	403.11	409.37	402.40	35.8	36.1	34.9	11.26	11.34	11.53
Construction 4/	486.97	503.96	477.10	33.4	34.4	32.5	14.58	14.65	14.68
Communications & Utilities 5/	499.20	494.27	480.59	40.0	39.7	39.2	12.48	12.45	12.26
Trade 5/	282.20	288.24	280.05	32.7	33.4	33.3	8.63	8.63	8.41
Wholesale Trade	382.50	386.15	372.74	37.1	37.6	37.2	10.31	10.27	10.02
Retail Trade	234.09	240.38	235.19	30.6	31.3	31.4	7.65	7.68	7.49
Banking & Insurance	277.05	276.66	267.09						
State & Local Government	326.09	324.77	317.80						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYERS CORNER — CONGRESSIONAL ACTION NECESSARY

Dorothy Monnier

The Employers Federal Unemployment Tax Act (FUTA) pays for the operation of the Employment Division. The current administration has requested that Congress withhold $37 million of the approved $777 million dollars for the Employment Service in 1985.

Faye Meske, Security Manager for Emanuel Hospital, sent the following letter to Oregon's Congressional delegates. If you want to see the Employment Service maintained at the current level, please write our delegates too.

"As the State Chairperson for the Oregon Job Service Employers' Committee (JSEC), I want to express concern regarding the 1985 funding of the public Employment Security System. Nationwide, JSEC's are distressed with the information we have received concerning the 1985 program year funding.

'Initial action was taken by the administration in approving $777.4 million dollars to fund the Employment Service. Now we have received information that the administration has made a deferral request to hold back $37 million dollars of this funding. This is an impoundment of funds and now requires congressional action to release these monies. By reducing the 1985 funding to $740.4 million, Oregon's budget will be decreased by $457 thousand dollars. This money equates to 16 full time annual staff positions.

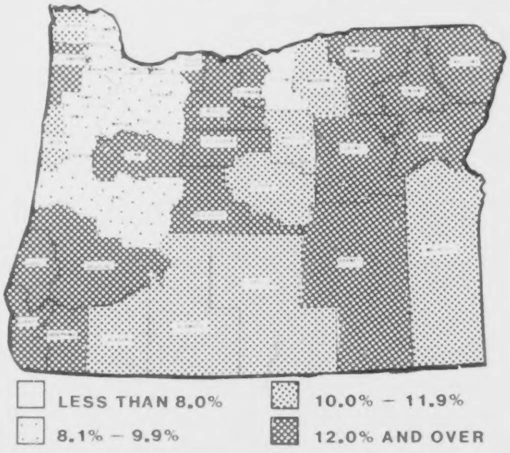
'We realize congressional action is necessary before the $37 million dollars can be released to fund the basic labor exchange. I ask you to consider the following facts:

1. Employers pay for the administration of the Employment Service through the payment of taxes under the the Federal Unemployment Tax Act (FUTA).
2. FUTA funds are dedicated funds, not general revenue. Because these funds are dedicated, they cannot be used for any purpose other than for Employment Security services.
3. FUTA administrative funds have a growing balance at this time with a projected surplus of $1.4 billion at the end of FY 1985. This surplus is being used to offset the federal budget deficit on paper, but not in fact.

'In Oregon we have 16 very active JSEC's with a membership of over 700 employers. We have been working with the Employment Division to develop a more efficient service for employers and applicants. Employers pay for this service, and are using the service with good results. Additional local office closures and staff cuts would cripple the service to such an extent that only minimal services could be offered to the public.

'Oregon has always been a leader and does not avoid controversial issues. Therefore, on behalf of the employers in Oregon, I am asking for your assistance."

If you have any questions, contact your local employment office manager.□



1984 • OREGON
Annual Average Unemployment Rates

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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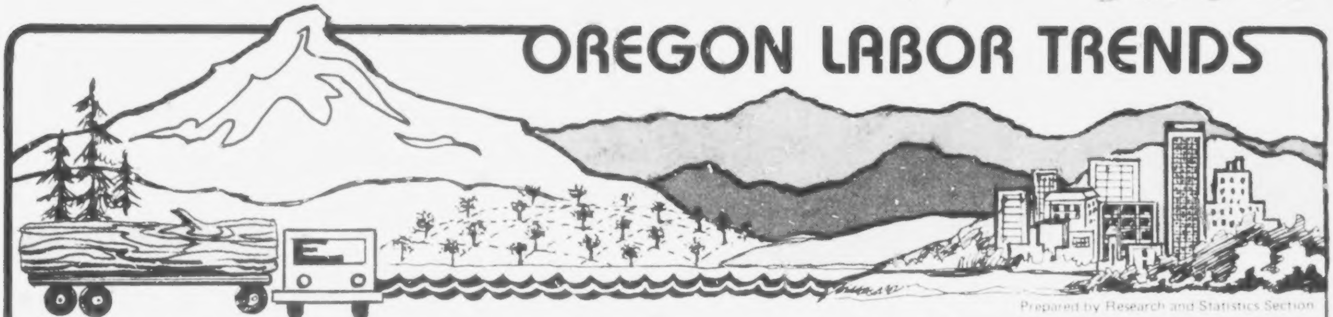


OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

MAY 1985

APRIL INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj.)
Apr.	1985	9.6
Mar.	1985	9.5
Apr.	1984	9.6
U.S.		
Apr.	1985	7.3
Mar.	1985	7.3
Apr.	1984	7.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon		1977=100
Apr.	1985	108.9
Mar.	1985	109.4
Feb.	1985	109.6
Jan.	1985	109.3
Dec.	1984	108.5

DIFFUSION INDEX

Oregon		
Apr.	1985	46.5
Mar.	1985	54.7
Feb.	1985	57.0
Jan.	1985	57.0
Dec.	1984	55.4

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Mar.	1985	38.8
Feb.	1985	38.2
Mar.	1984	39.4

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
Mar. 1985	309.0
Yearly Change	+ 3.7%
U.S.	
Apr. 1985	320.1
Yearly Change	+ 3.7
Portland Hotline	221-4132

MONTHLY ECONOMIC ANALYSIS

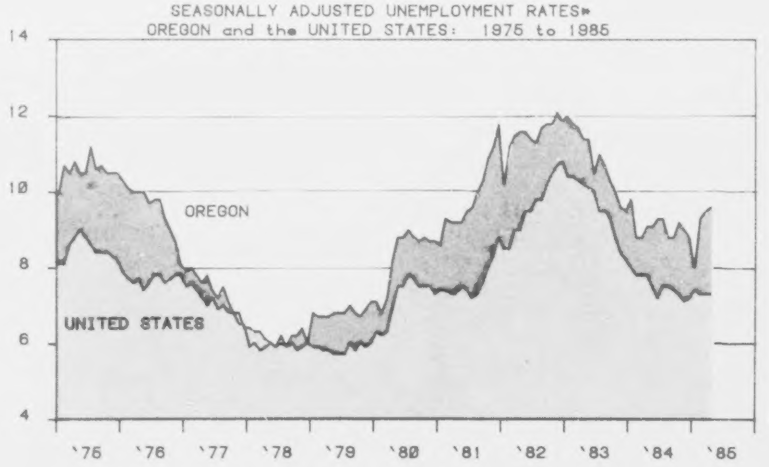
Carrie Okita

Oregon's economic recovery, reflecting the national trend, continued to show signs of weakening in April. The state's seasonally adjusted unemployment rate inched up 0.1 to 9.6%, while the national rate remained at 7.3% for the third consecutive month.

Although unemployment in Oregon dropped 7,800 and employment increased 2,000, the seasonally adjusted unemployment rate rose in April because the employment increase was less than seasonally anticipated. The 9.6% rate equaled the April 1984 rate, and since 1977 was exceeded only by the April 1982 and 1983 rates of 11.6 and 11.4%, respectively. Whether the rate "bottomed out" in January at 8.0% and will continue to climb, will become evident in the next few months.

Total nonfarm wage and salary employment increased only 2,800 from March to April. Despite this less-than-average gain, April's employment level of 1,013,500 was still the highest of any April since 1981, when wage and salary workers numbered 1,023,300.

A good indicator of the relative strength of the economy is the wage and salary employment index. Based on the standard of 1977 average employment = 100, the April index was 108.9, the highest April since 1981, when the index was 110.0. After turning the corner in December 1982, the index climbed steadily, reaching a peak in February 1985 at 109.6. Since then, the index has been dropping. The 0.5 decrease from March was not



RESIDENT OREGON LABOR FORCE

	APR. 1985 1/	MAR. 1985 2/	CHANGE	% CHANGE	APR. 1984 5/
CIVILIAN LABOR FORCE 3/	1,316,000	1,321,800	- 5,800	- 0.4	1,334,900
UNEMPLOYMENT	139,100	146,900	- 7,800	- 5.3	132,800
PERCENT OF LABOR FORCE	10.6	11.1	XXX	XXX	9.9
SEASONALLY ADJUSTED PERCENT	9.6	9.5	XXX	XXX	9.6
TOTAL EMPLOYMENT 4/	1,176,900	1,174,900	2,000	0.2	1,202,100

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	APR. 1985 1/	MAR. 1985 2/	APR. 1984	CHANGE FROM MAR. 1985	CHANGE FROM APR. 1984
TOTAL 3/	1,013,500	1,010,700	994,800	2,800	18,700
WAGE & SALARY EMPLOYMENT INDEX 4/	108.9	109.4	106.9	XXX	XXX
DIFFUSION INDEX 5/	46.5	54.7	67.1	XXX	XXX
TOTAL MANUFACTURING	191,800	193,000	194,900	- 1,200	- 3,100
DURABLE GOODS	142,000	142,600	144,500	- 600	- 2,500
LUMBER & WOOD PRODUCTS	62,100	62,200	65,100	- 100	- 3,000
LOGGING & SAWMILLS	32,400	32,000	33,900	400	- 1,500
VENEER & PLYWOOD	15,900	16,400	17,800	- 500	- 1,900
MILLWORK & STRUCTURAL WOOD	8,300	8,400	8,000	- 100	300
MOBILE HOMES	1,500	1,500	1,700	0	- 200
OTHER WOOD PRODUCTS	4,000	3,900	3,700	100	300
FURNITURE AND FIXTURES	2,800	2,900	2,600	- 100	200
STONE, CLAY, GLASS & CONCRETE	2,400	2,400	2,500	0	- 100
PRIMARY METALS	9,100	9,100	9,100	0	0
BLAST FURNACES, IRON & STEEL	5,700	5,700	4,900	0	800
NONFERROUS METALS	3,400	3,400	4,200	0	- 800
FABRICATED METALS	10,100	10,100	10,200	0	- 100
FABRICATED STRUCTURAL METALS	4,900	5,000	4,500	- 100	400
OTHER FABRICATED METALS	5,200	5,100	5,700	100	- 500
MACHINERY	15,200	15,600	15,600	- 400	- 400
ELECTRICAL EQUIPMENT & SUPPLIES	14,300	14,400	13,500	- 100	800
TRANSPORTATION EQUIPMENT	8,300	8,400	9,000	- 100	- 700
INSTRUMENTS & RELATED PRODUCTS	14,700	14,700	14,300	0	400
MISCELLANEOUS MANUFACTURING	3,000	2,800	2,600	200	400
NONDURABLE GOODS	49,800	50,400	50,400	- 600	- 600
FOOD & KINDRED PRODUCTS	19,900	20,600	20,300	- 700	- 400
CANNING & PRESERVING	10,000	10,700	10,300	- 700	- 300
OTHER FOOD PRODUCTS	9,900	9,900	10,000	0	- 100
TEXTILE MILL PRODUCTS	1,600	1,600	1,700	0	- 100
APPAREL	2,500	2,600	2,800	- 100	- 300
PAPER & ALLIED PRODUCTS	8,700	8,800	9,000	- 100	- 300
PRINTING & PUBLISHING	11,200	11,100	10,700	100	500
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	400	500	100	0
RUBBER & PLASTIC PRODUCTS	2,800	2,700	2,800	100	0
LEATHER PRODUCTS	500	500	500	0	0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	APR. 1985	MAR. 1985	APR. 1984	CHANGE FROM MAR. 1985	CHANGE FROM APR. 1984
(CONT.)					
TOTAL NONMANUFACTURING	821,700	817,700	799,900	4,000	21,800
MINING & QUARRYING	1,300	1,300	1,500	0	-200
CONSTRUCTION	29,400	28,200	27,000	1,200	2,400
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	54,400	54,200	56,000	200	-1,600
TRANSPORTATION	32,300	32,200	33,400	100	-1,100
RAILROAD	5,200	5,200	5,400	0	-200
TRUCKING & WAREHOUSING	17,200	17,100	17,400	100	-200
OTHER TRANSPORTATION	9,900	9,900	10,600	0	-700
COMMUNICATIONS	13,500	13,400	14,000	100	-500
UTILITIES	8,600	8,600	8,600	0	0
TRADE	256,400	253,900	247,700	2,500	8,700
WHOLESALE TRADE	65,900	65,900	63,100	0	2,800
DURABLE GOODS	39,100	38,800	37,800	300	1,300
NONDURABLE GOODS	26,800	27,100	25,300	-300	1,500
RETAIL TRADE	190,500	188,000	184,600	2,500	5,900
GENERAL MERCHANDISE	22,300	22,600	24,100	-300	-1,800
FOOD STORES	30,700	30,600	27,300	100	3,400
AUTO DEALERS & SERVICE STATIONS	25,100	24,600	23,600	500	1,500
OTHER RETAIL TRADE	112,400	110,200	109,600	2,200	2,800
FINANCE, INSURANCE, & REAL ESTATE	67,800	67,600	64,900	200	2,900
BANKING & CREDIT AGENCIES	23,000	23,100	23,400	-100	-400
OTHER FINANCE, INSURANCE, & REAL ESTATE	44,800	44,500	41,500	300	3,300
SERVICES	210,800	209,400	204,700	1,400	6,100
HOTELS & PERSONAL SERVICES	24,500	23,700	23,500	800	1,000
HEALTH SERVICES	68,900	68,900	67,100	0	1,800
OTHER SERVICES	117,400	116,800	114,100	600	3,300
GOVERNMENT	201,600	203,100	198,100	-1,500	3,500
FEDERAL GOVERNMENT	29,800	29,600	28,000	200	1,800
STATE GOVERNMENT	55,900	56,200	55,700	-300	200
EDUCATION	23,100	23,600	22,900	-500	200
OTHER STATE	32,800	32,600	32,800	200	0
LOCAL GOVERNMENT	115,900	117,300	114,400	-1,400	1,500
EDUCATION	74,600	76,000	73,200	-1,400	1,400
OTHER LOCAL	41,300	41,300	41,200	0	100
LABOR-MANAGEMENT DISPUTES	800	600	900	200	-100

1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

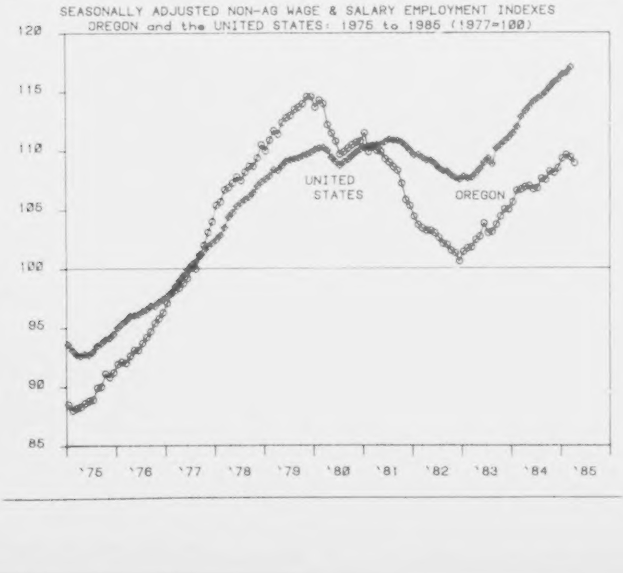
only the second largest decline since December 1982, but also the first time that a decrease has been noted in consecutive months -- not a very encouraging sign of future trends.

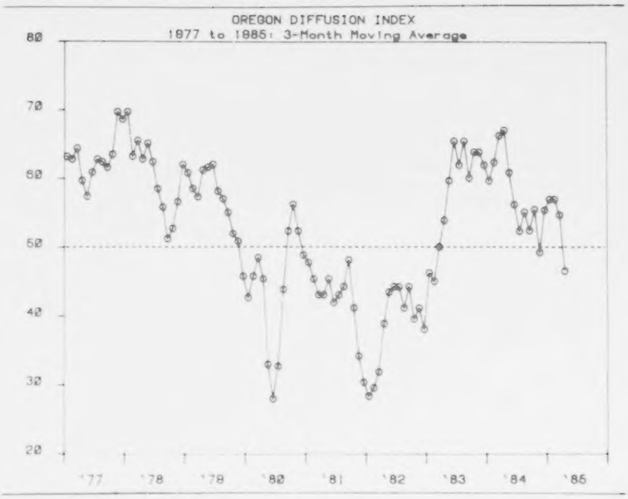
Perhaps a better indicator of shifts in the economy is the diffusion index -- a composite measure of changes in 43 industrial categories. However, the employment outlook does not appear any brighter from this perspective. The diffusion index dropped to 46.5 in April, falling below 50.0 for only the second time since March 1983. Except for a slight dip to 49.2 in November 1984, this index had stayed above 50.0. The downturns of the past two months are clues that the employment trends in key industries are weaker than seasonally expected.

A substantial part of the over-the-month increase in wage and salary employment occurred in non-manufacturing industries. These industries added 4,000 workers, while manufacturing declined by 1,200. Employment in lumber and wood products continued to decline. Although logging and sawmills rebounded to 32,400 from a decline over the past two months, the veneer and plywood sector continued to lose employment. Much of the loss was due to layoffs, about half of which are anticipated to be permanent. On a positive note, the number of new housing starts and building permits have been increasing nationally in recent months, which may translate into increased activity for this industry.

Among the durable goods industries, a general slowdown of activity plus a labor dispute were responsible for monthly declines in machinery, electrical equipment, and transportation equipment. However, in spite of the fact that electrical equipment has experienced recent reductions in its work force, this industry continues to enjoy a high level of employment -- one that has tripled since 1977, and added 800 jobs in the past year.

Seasonal declines in employment occurred in food and kindred products, particularly the canning and preserving sector, which accounted for a substantial part of the decrease in nondurable goods. With the start of the growing season in Oregon, employment in this industry should begin its seasonal upswing soon. The balance of the nondurable goods industries remained fairly stable.





The bright spot of the April employment picture occurred in nonmanufacturing, where most of the month-to-month gains were made. Employment in construction increased 1,200, 500 more than seasonally expected. The employment totals for this industry have yet to regain the levels of the late 1970s, but the encouraging news is that the work force is the highest -- since 1981. Much of the over-the-month gain was in the special trade contractors segment.

The month-to-month gain of 2,500 in trade was expected seasonally, with the increase coming in the retail sector. Employment in wholesale trade has remained virtually the same during the past four months.

The gain in retail trade boosted the industry's employment level to a new April high over the past eight years. The previous high mark was 187,000 in April 1980 compared with the current 190,500. The over-the-month increase in retail trade was provided primarily by specialty stores such as apparel, drug, and books stores.

Employment growth during the past eight years has been noted in food stores and other retail outlets, such as apparel, furniture, building materials, and restaurants. During this same period, employment in auto dealers and gasoline service stations remained fairly stable while a decline occurred in general merchandise outlets.

Although employment in the service industries increased 1,400 from March to April, this was 500 less than seasonally anticipated. Tourist-related activities increased, but business services fell somewhat, contributing to the less-than-seasonal gains. The work force in the service industries has grown steadily from an annual average of 162,600 in 1977 to the current total of 210,800 for April. To a great extent, the increase in the work force reflects the changing and expanding needs and demands of consumers for various types of services.

Government employment was 1,700 below seasonal expectations. Community colleges decreased 600, while seasonal increases did not occur in federal natural resource management agencies, resulting in a net drop in employment in government. During the past eight years, minor employment gains were noted in federal and state government, while major gains were made in local government education.

In summary, April was a month characterized by minimal changes. The expected seasonal upturns in services, veneer and plywood, other durable goods manufacturing, and government did not occur, and as a result, the unemployment rate rose to 9.6%, the employment index declined to 108.9 and the diffusion index dropped below 50.0% to 46.5. On the positive side, the construction industry continued to improve, with the number of housing starts increasing and interest rates dropping, housing-related sectors should remain fairly active throughout the summer months.□

OCCUPATIONAL EMPLOYMENT STATISTICS PROGRAM

Bill Kimball

"The OES program is the one program we have that has the potential for affecting peoples' lives because [it] is the start of an effort to provide people information about where jobs are so people can make individual decisions about jobs."

The above quote is from Tom Plewes, Associate Commissioner for Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics, speaking at a recent meeting in San Francisco.

The purpose of the Occupational Employment Statistics (OES) program is to provide occupational data for the use not only of those individual job seekers that Plewes cited, but also for vocational educators, schools and colleges, career planners, economists and other interested groups. The OES program is a cooperative federal-state effort to survey employers by industry for occupational data, then project industry employment levels to estimate future employment in the reported occupations.

Background

"Rub a dub dub, three men in a tub
And who do you think they be?
The butcher, the baker, the candlestick
maker..." Old Nursery Rhyme

Our interest in occupations is broad, deep and of long duration, an interest expressed in this old nursery rhyme as well as in the most recent edition (4th) of the federal Dictionary of Occupational Titles, the largest and most comprehensive system for classifying occupations.

Although there has been a long standing interest in occupational data in our society, only recently, in 1971, did this interest result in a governmental statistical program to provide such data. The basic groundwork of interest in occupations stems from a society where industry is widely diversified and where opportunities for jobs, vocational education, job mobility and geographical mobility are relatively open. However, many questions such as the following could not be adequately answered:

-How many workers are there in each occupation?
-In what industries are they found?
-What is the mix of occupations in each industry?
-What are the changes in all these areas over time?

In the 1960s and early 1970s a combination of these interests and needs led to the design and initiation of the OES survey program by the U.S. Department of Labor's Bureau of Labor Statistics and the Employment and Training Administration. In addition, legislation had called for activities enhancing the need for gathering detailed job data by industry, such as programs to train workers, to develop vocational education plans that consider projections of occupational needs, and to make available information on job outlook, job opportunities and labor supply. OES data were also adopted as the primary source of occupational demand information by the National Occupational Information Coordinating Committee (NOICC).

As a charter state in implementing the OES program, the Oregon Employment Division, in cooperation with the Bureau of Labor Statistics, since 1971 has conducted yearly surveys of nonfarm establishments to obtain estimates of wage and salary employment by occupation and industry.

The OES program is a good example of how federal and state governments can work together to serve both national and local needs. By picking the sample of participating employers and collecting the occupational data, the states receive valid information for their internal needs. The federal government's duties include defining the occupations, designing and printing the questionnaires, and providing technical assistance. In return, they receive data that are comparable from state to state and can be used for national projections of occupational employment and for other national interests.

In order to obtain data which would be as accurate and useful as possible, the Bureau of Labor Statistics developed the OES as a quality statistical program. Associate BLS Commissioner Tom Plewes, speaking at the recent San Francisco meeting, described the OES as the most soundly based BLS statistical program.

Goals and methods. The goals of this program are to identify the occupational staffing patterns or profiles of each industry and then to project the data, estimating future employment by industry and occupation. An industry profile or staffing pattern is the estimated percent of total industry employment that each occupation has in that industry at the time of the survey. The statistical methods were designed to obtain the best possible estimates of these staffing patterns.

The basic research method chosen for the OES program was a sample survey of employers by industry groups, requesting data on the number of their workers in each occupation. Data collection has a three year cycle, with about a third of the industries surveyed each year and a complete cycle repeated every third year.

Sample design. Selection of employers to be contacted for the surveys is by randomly sampling employers stratified within industry groups by size classes based on number of employees. Firms having 4 to 249 workers are usually sampled. Those with 250 or more employees are always included, and those with 3 or less rarely included. Sample sizes are adjusted for each industry group, based on previous survey experience, employment distribution and occupational structure. In each complete survey cycle, the Oregon Employment Division contacts about half of the employers in each industry group. The survey focuses on wage and salary workers, including both full and part-time. Self-employed and unpaid family workers are not included.

Industries. Employer industry designations are based upon the Standard Industrial Classification (SIC) system, developed by the federal Office of Management and Budget. Using this system, each employer's workplace (establishment) is classified as belonging to one of several hundred industry groups, based on the type of product, operation or service it provides.

OES Occupations. The occupations and their brief definitions used on the survey schedules are derived primarily from the Dictionary of Occupational Titles (DOT). In general, however, specific OES occupations are more broadly defined, representing groups of the DOT occupations.

The OES survey currently provides national, state and area occupational estimates for nearly 1,650 job categories in more than 300 industries. Over 1,000 of these occupations are used by employers in Oregon. Employer job categories are classified into an OES occupation, either by the employers when they complete the survey schedules or by OES staff interviewers.

The OES occupational categories have been revised recently, based on the 1980 version of the Standard Occupational Classification (SOC) system. The SOC system was developed as an interagency effort by the U.S. Department of Commerce to bring together and standardize several occupational classification systems that were being used nationally. After the current three-year cycle of OES data collection is completed (with the 1985 survey), all OES publications and users of OES data will reflect the occupations of this system. In general, the SOC is considerably less detailed in manufacturing production worker jobs, but has more management and supervisory occupations.

Data collection. Occupational data are collected from employers by mail and personal interview. The survey forms contain lists of occupations with blanks for entering the numbers of employees in each occupation. Separate forms are designed for every group of industries, listing the occupations most frequently used in each industry plus those occupations common to all firms.

Interviewers visit all firms with 250 or more employees and assist the employers in completing the survey form. Smaller companies receive their forms by mail, and any questions they have are answered by telephone. All the completed forms are edited and checked for accuracy. Employers are contacted again if there is a need to clarify their responses. Past surveys have achieved almost a 95% response rate.

Estimates. Development of the industry staffing profiles is accomplished in two steps. First, from the occupational information for each size group of firms in each industry, occupational profiles are calculated. These profiles are percentages that each occupation, such as carpenters, cooks, or managers, makes up of total employment in each size class of each industry. Second, from employers' unemployment insurance tax reports of total monthly employment, a count is obtained of the total numbers of workers in each size class of each industry.

Next, these two sets of information are combined to derive the final estimated staffing patterns. The occupational profiles are multiplied by the numbers of workers for each size class in each industry. Then the size class estimates are combined for each industry and the detailed industry groups combined into more broadly defined industries. The results are estimated staffing patterns showing the number of workers in each occupation in each industry.

Projections. The Oregon Employment Division last year made projections for the numbers of people likely to be employed in each industry or group of industries in Oregon in 1990. The following resources were used to arrive at these projections:

1. Historical employment trends by industry up to and including the 1982 base year.
2. National, regional and state economic and industrial forecasts.
3. Predictions made by managers and planners of dominant firms.
4. Current supply and demand information.

The percentages of the various occupations reported in the staffing pattern estimates are carried through and prorated to the industries' 1990 employment projections. The result is a list of the projected number of people in 1990 who are expected to work in each occupation, in each industry.

The next step is to add all the industries together and arrive at the total number of workers for each occupation, both for the 1982 base year and 1990. These numbers are the basis of the tables in the OES publication, Oregon Occupational Employment Trends.

Uses. The primary users of the OES publications in the past have been planners of occupational training programs. In addition, occupational employment information is used extensively by students, counselors and other individuals involved in making career choices. The OES data are also a basic element in occupational demand/supply analysis, now available in a comprehensive system from the Oregon Employment Dvision's Occupational Program Planning System (OPPS).

Another article forthcoming in Labor Trends will provide more information on OPPS and the growing uses of OES data in Oregon. One good example of the information which can be obtained from these data are figures on occupations with the greatest demand, between 1982 and 1990. The following table contains only the top five occupations:

OCCUPATIONS WITH GREATEST DEMAND 1982-1990

Occupation	1982 Employment	1990 Employment	Jobs Created* 1982-1990
Sales Rep.	44,750	55,770	11,020
Waiter/Waitress	19,990	24,910	4,920
Truck Driver	20,580	25,300	4,720
Secretary	25,360	29,840	4,480
General Clerk	19,790	23,730	3,940

*Represents the number of new jobs created or added to the labor force. Does not include job openings created as a result of turnover.□

HOURS AND EARNINGS

Jason Yohannan

March served to re-emphasize Oregon's dependence upon lumber and wood products. In March, wood products accounted for 6% (62,200) of Oregon's wage and salary employment (1,010,700) and 32% of all manufacturing jobs (193,000). About one-third of the March change in average hourly earnings in manufacturing (down 20¢) can be attributed to lumber and wood (down 8¢). Other factors such as the changing industrial composition within manufacturing are involved, but the reliance on lumber and wood is still evident.

Two important themes relating to the significance of hours and earnings data were discussed recently in local Labor Trends newsletters. The first idea, from the March 1985 Salem Labor Trends, identifies the value of the average weekly hours series. Anyone who worked or received pay for the week including the 12th of the month (the survey week) is counted as employed for the month, regardless of whether they worked full-time or just a few hours. We make no distinction between full-and part-time in the employment counts. Therefore, average weekly hours should be used in conjunction with employment data to analyze trends in economic activity.

The second idea, from the March 1985 Eugene/Springfield Labor Trends, shows the importance of the average hourly and weekly earnings series. The theme is "family wage" jobs -- jobs which pay enough to support a family. Many of the jobs lost during the 1980-82 recession were in the "family wage" category: construction ($501.29 per week in March), lumber and wood products ($438.52), and primary metals ($496.86). Replacing jobs lost in those industries one-for-one with new jobs in trade ($282.94), for example, would not result in a full recovery, although new jobs in trade are certainly welcome.

The bottom line is that just counting the total number of jobs does not tell the whole story. A better picture of an area's economic health emerges when employment plus hours and earnings data are considered.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar. 2/ 1985	Feb. 3/ 1985	Mar. 1984	Mar. 2/ 1985	Feb. 3/ 1985	Mar. 1984	Mar. 2/ 1985	Feb. 3/ 1985	Mar. 1984
TOTAL MANUFACTURING 4/	$410.50	$407.21	$408.97	38.8	38.2	39.4	$10.58	$10.66	$10.38
Durable Goods	419.33	415.34	417.35	39.3	38.6	39.9	10.67	10.76	10.46
Lumber & Wood Products	438.52	436.21	430.75	39.4	38.5	39.7	11.13	11.33	10.85
Logging & Sawmills	466.50	457.52	454.28	39.4	38.0	39.4	11.84	12.04	11.53
Veneer & Plywood	448.84	452.28	444.85	40.4	40.6	40.7	11.11	11.14	10.93
Millwork & Struct Wood	339.58	325.74	335.62	37.9	37.1	39.3	8.96	8.78	8.54
Mobile Homes	259.62	250.29	277.29	31.7	30.9	35.1	8.19	8.10	7.90
Other Wood Products	435.34	425.46	444.58	40.8	40.1	40.9	10.67	10.61	10.87
Furniture & Fixtures	259.92	271.36	264.88	34.2	35.8	34.4	7.60	7.58	7.70
Primary Metals	496.86	491.84	494.89	42.0	42.4	42.7	11.83	11.60	11.59
Fabricated Metals	386.10	376.35	380.62	39.0	38.6	38.1	9.90	9.75	9.99
Machinery	422.28	422.80	411.03	39.8	40.0	40.1	10.61	10.57	10.25
Nondurable Goods	386.63	380.81	383.93	37.5	36.9	37.9	10.31	10.32	10.13
Food & Kindred Products	325.80	325.38	308.95	36.0	35.1	35.8	9.05	9.27	8.63
Canning & Preserving	270.31	263.25	251.08	34.7	32.5	34.3	7.79	8.10	7.32
Other Food Products	405.91	415.84	392.27	37.9	38.9	37.9	10.71	10.69	10.35
Textile Mill Products	230.20	232.56	225.62	37.8	38.0	38.7	6.09	6.12	5.83
Apparel	225.20	215.63	210.60	38.3	38.3	38.5	5.88	5.63	5.47
Paper & Allied Products	587.94	574.90	570.21	41.0	41.3	41.2	14.34	13.92	13.84
Printing & Publishing	413.28	401.36	443.87	36.0	35.3	38.1	11.48	11.37	11.65
Construction 4/	501.29	486.18	483.31	34.5	33.3	32.7	14.53	14.60	14.78
Communications & Utilities 5/	499.75	495.60	476.08	40.4	40.0	38.8	12.37	12.39	12.27
Trade 5/	282.94	282.81	283.41	32.9	33.0	33.5	8.60	8.57	8.46
Wholesale Trade	386.15	383.35	379.01	37.6	37.4	37.6	10.27	10.25	10.08
Retail Trade	231.95	233.46	237.20	30.6	30.8	31.5	7.58	7.58	7.53
Banking & Insurance	283.44	281.47	269.37						
State & Local Government	325.97	326.37	316.16						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYERS CORNER

Dorothy Monnier

The following article is the first of a series of articles meant to stimulate your thinking about a totally different concept of paying unemployment insurance. Next month we will present the experiences of France and Britain, countries that have implemented similar programs.

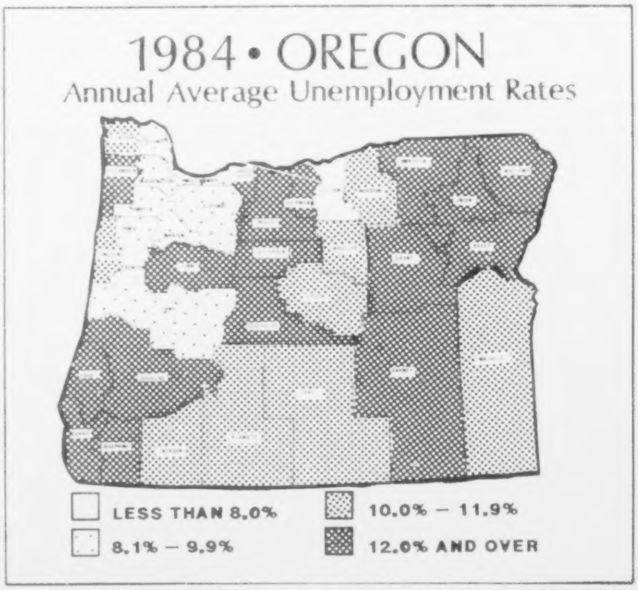
The Unemployment Insurance (UI) system as we know it today first appeared as part of the Social Security System in 1935. The program was designed as an insurance program offering temporary financial help to those who were firmly attached to the labor force, but through no fault of their own had become unemployed. The current system allows weekly payments for a maximum duration of 26 weeks within a 52 week benefit year.

A bill introduced by three congressmen last month would help UI recipients create jobs for themselves and others by becoming entrepreneurs. Based on successful models in France and Great Britain, the "Self-Employment Opportunity Act of 1985" would change current restrictions on the use of UI payments. This would allow a limited number of recipients to use their benefits to start up a new business.

Representative Ron Wyden (Oregon) introduced the bill on March 21, 1985, pointing out that the lack of jobs is not due to a lack of initiative. "We're convinced that there are thousands of people in the unemployment lines today - from all walks of life and with all sorts of qualifications - who are capable of becoming self employed."

The bill would allow 5 to 10 states to create pilot programs for no more than five percent of their UI recipients. Each state would design its own program, and could choose to give participants a lump sum equivalent to 26 weeks of UI benefits, or to continue to send out weekly checks to the budding entrepreneurs. The Department of Labor would look for programs that screen out individuals and enterprises that clearly have little chance for success as well as individuals who would be likely to return to work quickly.

Wyden called the experimental program a "bridge between our social policies and our economic policies. The income maintenance system involves simple but expensive transfer payments. It is not linked as closely as it should be to economic development and job creation efforts." Ultimately, the United States would become part of a 20 nation effort to facilitate the international exchange and development of job creation and enterprise strategies.□



1984 • OREGON

Annual Average Unemployment Rates

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
JUNE 1985

MAY INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj.)
May	1985	9.7
Apr.	1985	10.2**
May	1984	9.5
U.S.		
May	1985	7.3
Apr.	1985	7.3
May	1984	7.5

Oregon		1977=100
May	1985	109.1
Apr.	1985	109.1
Mar.	1985	109.4
Feb.	1985	109.6
Jan.	1985	109.3

DIFFUSION INDEX

Oregon		
May	1985	48.8
Apr.	1985	48.1
Mar.	1985	54.7
Feb.	1985	57.0
Jan.	1985	57.0

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Apr.	1985	38.2
Mar.	1985	38.7
Apr.	1984	39.5

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
May 1985	310.4
Yearly Change	+ 2.8%
U.S.	
May 1985	321.3
Yearly Change	+ 3.7

Portland Hotline 221-4132

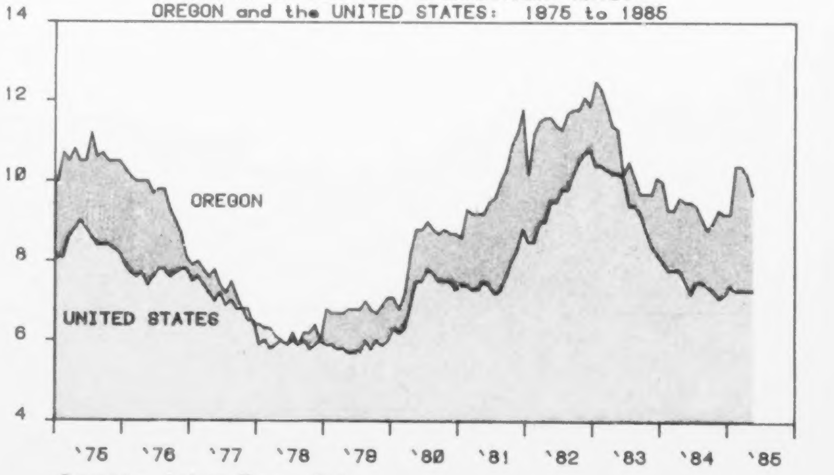
MONTHLY ECONOMIC ANALYSIS

Duane Ackerson

While the seasonally adjusted national unemployment rate in May was the same as April's at 7.3% (a rate that has been unchanged for four consecutive months), Oregon's seasonally adjusted rate, at 9.7%, was down 0.5 from the revised April rate in a month that was modestly encouraging.

In the course of developing the May unemployment estimates, January through April 1985 seasonally adjusted rates were recomputed upward to correct an error in the computerized seasonal adjustment formula. These changes did not affect the raw unemployment rates. Though these revised readings did not bode well for the economy, May still saw the number of unemployed Oregonians fall by 14,500 to 125,600. The seasonally adjusted rate for May was up 0.2 from the 9.5% registered a year before.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



*Civilian Labor Force Only

**SEASONALLY ADJUSTED UNEMPLOYMENT RATES REVISED

Due to a programming error, Oregon's seasonally adjusted unemployment rates for the period January through April, 1985 have been revised upward as shown below. Raw unemployment rates were not affected by the error.

Seasonally Adjusted Unemployment Rate	January	February	March	April
Revised	9.2	10.4	10.4	10.2
Originally Published	8.0	9.3	9.5	9.6

RESIDENT OREGON LABOR FORCE

	1/ MAY 1985	2/ APR. 1985	CHANGE	% CHANGE	5/ MAY 1984
CIVILIAN LABOR FORCE 3/	1,308,400	1,318,500	- 10,100	- 0.8	1,340,100
UNEMPLOYMENT	125,600	140,100	- 14,500	- 10.3	126,800
PERCENT OF LABOR FORCE	9.6	10.6	XXX	XXX	9.5
SEASONALLY ADJUSTED PERCENT	9.7	10.2	XXX	XXX	9.5
TOTAL EMPLOYMENT 4/	1,182,800	1,178,400	4,400	0.4	1,213,300

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	1/ MAY 1985	2/ APR. 1985	MAY 1984	CHANGE FROM APR. 1985	CHANGE FROM MAY 1984
TOTAL 3/	1,024,600	1,015,200	1,004,200	9,400	20,400
WAGE & SALARY EMPLOYMENT INDEX 4/	109.1	109.1	107.0	XXX	XXX
DIFFUSION INDEX 5/	48.8	48.1	60.9	XXX	XXX
TOTAL MANUFACTURING	194,000	192,100	197,100	1,900	- 3,100
DURABLE GOODS	143,400	142,500	145,700	900	- 2,300
LUMBER & WOOD PRODUCTS	63,600	62,600	66,000	1,000	- 2,400
LOGGING & SAWMILLS	34,100	32,700	34,900	1,400	- 800
VENEER & PLYWOOD	15,700	16,000	17,400	- 300	- 1,700
MILLWORK & STRUCTURAL WOOD	8,300	8,300	8,100	0	200
MOBILE HOMES	1,500	1,500	1,800	0	- 300
OTHER WOOD PRODUCTS	4,000	4,100	3,800	- 100	200
FURNITURE AND FIXTURES	2,600	2,800	2,700	- 200	- 100
STONE, CLAY, GLASS & CONCRETE	2,500	2,400	2,600	100	- 100
PRIMARY METALS	9,100	9,100	9,100	0	0
BLAST FURNACES, IRON & STEEL	5,700	5,700	5,000	0	700
NONFERROUS METALS	3,400	3,400	4,100	0	- 700
FABRICATED METALS	10,100	10,100	10,300	0	- 200
FABRICATED STRUCTURAL METALS	5,000	4,900	4,600	100	400
OTHER FABRICATED METALS	5,100	5,200	5,700	- 100	- 600
MACHINERY	15,400	15,300	15,700	100	- 300
ELECTRICAL EQUIPMENT & SUPPLIES	14,200	14,300	13,700	- 100	500
TRANSPORTATION EQUIPMENT	8,400	8,300	8,700	100	- 300
INSTRUMENTS & RELATED PRODUCTS	14,500	14,600	14,300	- 100	200
MISCELLANEOUS MANUFACTURING	3,000	3,000	2,600	0	400
NONDURABLE GOODS	50,600	49,600	51,400	1,000	- 800
FOOD & KINDRED PRODUCTS	20,600	19,800	21,000	800	- 400
CANNING & PRESERVING	10,500	9,900	10,800	600	- 300
OTHER FOOD PRODUCTS	10,100	9,900	10,200	200	- 100
TEXTILE MILL PRODUCTS	1,600	1,600	1,700	0	- 100
APPAREL	2,400	2,500	2,900	- 100	- 500
PAPER & ALLIED PRODUCTS	9,300	8,700	9,000	600	300
PRINTING & PUBLISHING	10,900	11,100	10,900	- 200	0
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	500	500	- 100	- 100
RUBBER & PLASTIC PRODUCTS	2,900	2,800	2,800	100	100
LEATHER PRODUCTS	400	500	500	- 100	- 100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAY 1985	APR. 1985	MAY 1984	CHANGE FROM APR. 1985	CHANGE FROM MAY 1984
(CONT.)					
TOTAL NONMANUFACTURING	830,600	823,100	807,100	7,500	23,500
MINING & QUARRYING	1,500	1,300	1,700	200	- 200
CONSTRUCTION	31,500	29,400	28,600	2,100	2,900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	54,300	54,200	56,400	100	- 2,100
TRANSPORTATION	32,100	32,100	33,700	0	- 1,600
RAILROAD	5,200	5,200	5,400	0	- 200
TRUCKING & WAREHOUSING	17,000	17,100	17,600	- 100	- 600
OTHER TRANSPORTATION	9,900	9,800	10,700	100	- 800
COMMUNICATIONS	13,500	13,500	14,100	0	- 600
UTILITIES	8,700	8,600	8,600	100	100
TRADE	259,400	256,800	250,500	2,600	8,900
WHOLESALE TRADE	65,800	65,900	63,500	- 100	2,300
DURABLE GOODS	38,800	39,000	38,000	- 200	800
NONDURABLE GOODS	27,000	26,900	25,500	100	1,500
RETAIL TRADE	193,600	190,900	187,000	2,700	6,600
GENERAL MERCHANDISE	22,700	22,500	24,100	200	- 1,400
FOOD STORES	30,600	30,300	27,200	300	3,400
AUTO DEALERS & SERVICE STATIONS	25,300	25,100	24,100	200	1,200
OTHER RETAIL TRADE	115,000	113,000	111,600	2,000	3,400
FINANCE, INSURANCE, & REAL ESTATE	68,100	67,800	64,400	300	3,700
BANKING & CREDIT AGENCIES	23,200	23,100	23,500	100	- 300
OTHER FINANCE, INSURANCE, & REAL ESTATE	44,900	44,700	40,900	200	4,000
SERVICES	211,200	210,900	205,800	300	5,400
HOTELS & PERSONAL SERVICES	23,800	24,200	23,900	- 400	- 100
HEALTH SERVICES	69,100	68,700	67,100	400	2,000
OTHER SERVICES	118,300	118,000	114,800	300	3,500
GOVERNMENT	204,600	202,700	199,700	1,900	4,900
FEDERAL GOVERNMENT	30,700	29,800	28,500	900	2,200
STATE GOVERNMENT	56,200	56,100	55,900	100	300
EDUCATION	23,200	23,300	22,900	- 100	300
OTHER STATE	33,000	32,800	33,000	200	0
LOCAL GOVERNMENT	117,700	116,800	115,300	900	2,400
EDUCATION	76,200	75,500	73,100	700	3,100
OTHER LOCAL	41,500	41,300	42,200	200	- 700
LABOR-MANAGEMENT DISPUTES	0	800	600	- 800	- 600

1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

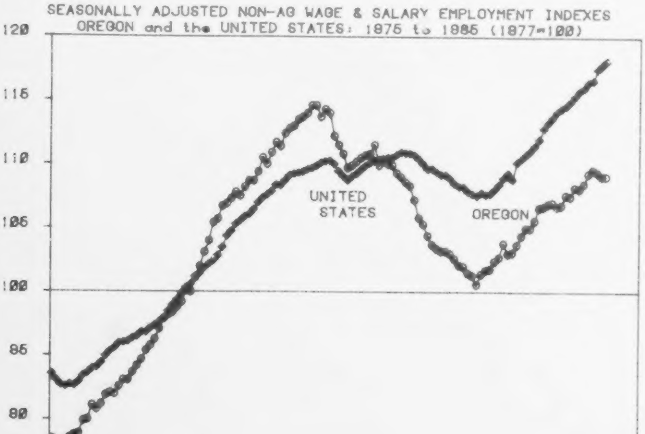
5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

The diffusion index, a leading economic indicator, registered 48.8. This was a gain of 0.7 points from April, indicating that 48.8% of the component industries increased their seasonally adjusted employment in May. Though well below the level of a year before (60.9), the diffusion index, after a one month drop from March to April, was at least moving in the right direction again. (An economic downturn may be looming when the diffusion index falls for several months in succession.)

Another indicator of the economy's performance is the wage and salary employment index, which shows total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977 (i.e. 1977 average annual employment = 100). May's level, at 109.1, was the same as the revised April index, hinting at a lull in the economy. As with other indicators, though, the message was mixed. Although the index's level in both April and May was the lowest of any month so far in 1985, it was higher than any preceding month in 1982, 1983 and 1984.

From April to May, nonfarm wage and salary employment rose by 9,400 to 1,024,600, an increase that was 800 more than anticipated for this time of year. This total was also 20,400 above that for May 1984, additional evidence of a healthy trend in employment. Of the 800 increase in seasonally adjusted employment, 300 came from manufacturing and 500 from nonmanufacturing.

The main areas to lose ground on a seasonally adjusted basis in May were lumber and wood products; transportation, communications, and utilities; and trade. Lumber and wood products was in its fourth month of sub-par performance (employment rose by 1,000, but this was 300 below the norm for May). Logging fell into the category of industries, but processing of logs into veneer plywood took a skinning, a fact underscored by one permanent plant closure in May. In transportation, trucking and warehousing dropped by 100, instead of adding the usual 300-400 employees. Trade added 2,600 employees in May, but was still 600 below where it should have been seasonally. Retail trade held steady, while wholesale trade fell off, especially in machinery and electrical goods. Of those sectors showing a May decline, lumber and wood products continues to be the most troubling since this backbone of Oregon's manufacturing continues to suffer from lordosis.



Nondurable goods manufacturing, except for food and paper products, held steady at nearly the same level as April. Although the paper and allied products industry showed a gain of 600, most of this "improvement" was accounted for by the end of a labor dispute. Compared with its year ago level, employment in paper and allied products was up only 300. This helped conceal a less than satisfactory picture in printing and publishing, leather products, and apparel. In all three of these industries, employment declined on a month-to-month basis.

Durable goods manufacturing, other than lumber and wood products, remained on an even keel, with losses in furniture, electrical equipment, and instruments offset by gains elsewhere. Both the declines and the increases were modest, generally in the neighborhood of plus or minus 100. Despite month-to-month declines, both electrical equipment (+500) and instruments (+200) were up from a year before.

Several industries showed strong seasonally adjusted employment gains. The largest was in food and kindred products (+600). As anticipated, April saw employment in preserved fruits and vegetables at low ebb, while May, with the start of the harvest season and the new pack, actually jarred expectations by producing five hundred more jobs than anticipated. Construction also registered a large seasonally adjusted gain (+500). Heavy construction employment was 500 over a year ago, and 1,600 above two years ago. Though some of government was below normal seasonal employment levels, a surge in employment in natural resource-based federal and state agencies and community colleges resulted in a seasonally adjusted gain in government employment comparable to that in construction (+500).

Services gained 300, over-the-month, largely due to increased employment in nursing homes and other health services outside hospitals. As pointed out in last month's economic analysis, the service industries' work force has grown steadily from an annual average of 162,600 in 1977. May's employment in this sector totalled 211,200, up 5,400 from a year before. This strong employment growth in services reflects a national trend.

The impact of a sluggish housing market continued to be felt in real estate employment, which normally shows an increase in employment in May, but did not do so this year. Credit for the 200 seasonally adjusted employment increase in the finance, insurance and real estate sector must go to its other components/insurance carriers and credit agencies.

In short, May was a month of mixed signs, with the wage and salary employment index unchanged, the diffusion index up slightly, unemployment down half a point, and nonagricultural wage and salary employment up a moderate 800 on a seasonally adjusted basis. It would seem that Oregon's economy is, at the moment, taking a breather.□

OREGON DIFFUSION INDEX

Earl Fairbanks

In November 1981, a new Oregon economic indicator was introduced which provided further clues to changes in the state's business cycle. Called the "Oregon diffusion index", it was designed after the national diffusion index which is considered an important "leading" indicator of the nation's short term economic future.

In a nutshell, the diffusion index shows the percent of industries in which seasonally adjusted employment increased during the month. A reading of 50.0 means that employment was growing in the same number of industries in which employment was declining. It is a leading indicator in the sense that a rise or fall in the index often precedes similar changes in the economy by three to nine months.

More specifically, Oregon's diffusion index is a composite measure of employment changes in 43 selected industrial categories which includes nearly all payroll workers. Each industry is given equal weight regardless of its number of employees. Thus the base of the index is equally spread (diffused) among the total group.

Component industries were not picked for their employment levels, dollar volume, or historical importance to Oregon's economy. Instead they were chosen for their historic sensitivity to change early in the business cycle. Thus, 75% of the accompanying list is manufacturing - industries which typically lead changes in the economy.

In detail, the diffusion index is computed by first seasonally adjusting the employment in the 24 industries which display significant fluctuations through the year. Secondly, the change from the prior month is calculated for all 43 industries. If there is a significant increase, a value of 1.0 is awarded to that industry; if no significant change (less than half of one percent gain or loss), a value of 0.5 is given; if there was a decrease in employment, a value of zero is assigned. The third step is simply to sum the above and divide by 43 (the number of industries) to find the percent of industries in which employment increased. Finally, since one atypically high or low month may produce a false reading of the overall economic movement, a three-month moving average is incorporated; i.e., the results of step 3 for the current and preceding two months are averaged.

Over the short-term, the diffusion index is especially helpful in understanding economic behavior, although it is not a predictive panacea, as business and economic activity is too complex for any one analytical tool. However, the predictive element of the index is illustrated by the accompanying diffusion index graph. An economic downturn became clear in March 1980 as thousands of wood products employees were laid off in response to the sagging national housing industry. Some evidence was noticed earlier in October and November as isolated mill closures and other negative signs were registered. But the diffusion index had begun a long decline in May 1979. By August, it was apparent that the index had moved enough to cause analysts to start looking for signs of an economic downturn - which, in fact, manifested itself with the start of Oregon's deepest recession since the great depression of the 1930s.

Analysts look at the diffusion index trend over the previous three to six months before making any judgement on what to expect in the economy. This is partly due to the three-month moving average

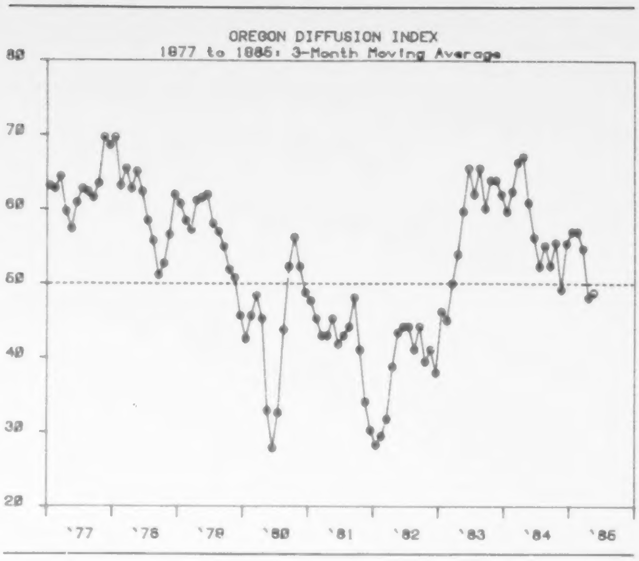
Oregon Diffusion Index

Component Industries	Standard Industrial Classification (SIC)
Manufacturing	
Logging	241
Sawmills	242
Veneer & Plywood	2435,6
Millwork & Structural Wood	2431,4,9,
Mobile Homes & Other	Rest of 24
Furniture	25
Primary Metal - Ferrous	331,2
Primary Metal - Nonferrous	Rest of 33
Fabricated, Structural Steel	344
Fabricated, Other	Rest of 34
Machinery, Construction, & Mining	353
Machinery, Electronic	3573,4
Machinery, Other	Rest of 35
Electrical Equipment	36
Motor Vehicles	3711
Aircraft	372
Shipbuilding & Repair	373
Railroad Equipment	374
Other Transportation Equipment	Rest of 37
Instruments & Related	38
Misc. Manufacturing	39
Canning & Preserving	203,2091
Other Food Products	Rest of 20
Textile Mills	22
Apparel	23
Paper & Allied Products	26
Printing & Publishing	27
Chemicals	28
Petroleum	29
Rubber & Plastics	30
Leather	31
Stone, Clay, & Glass	32
Nonmanufacturing	
Mining & Quarrying	10-14
Heavy Construction	16
Other Construction	15,17
Trans., Comm., & Utilities	40-49
Wholesale Trade	50,51
Retail Trade	52-59
Finance, Insur., & Real Estate	60-69
Services	70-89
Federal Government	N.A.
State Government	N.A.
Local Government	N.A.

computation, but mostly because it may take six months to determine an overall direction in the midst of some intermediate fluctuations.

In 1983 one of the most protracted recessions on record finally gave way to economic recovery. Not only did unemployment peak at more than 180,000 early in the year, but scores of others were working shortened workweeks or at jobs below their educational and skill level. By midyear, unemployment was below the year ago level and Oregon was entering a prolonged period of economic improvement. But this turnaround in the economy was no surprise to diffusion index watchers who had followed the index from December's 38.0 to April's 53.9 and May's 59.7. They realized that the steady increase coupled with an index value above 50.0 was a strong sign of a coming upturn in the economy.

More recently, since reaching a high of 67.1 in April 1984, the index fell to the lower 50s and waffled there until falling to below 50 this last April and May. Oregon's economy, after growing throughout 1984, is performing as expected with the so-so diffusion index readings of mid-1984 through early 1985; i.e., the state's economy has become somewhat stagnant this year.



Watch the index closely for the next few months. If it stays below 50.0 or continues to fall, look for further setbacks in Oregon's economy this fall and winter. ☐

EMPLOYERS CORNER
CREATIVE JOBLESS PROGRAMS – FRANCE & BRITAIN

Dorothy Monnier

France introduced its Chomeurs Createurs (Creative Jobless) program on an experimental basis in 1979 and made it a national policy a year later. The program allows any French citizen entitled to unemployment compensation or welfare to collect 30,000 francs (about $3,000 at the current exchange rate) in a lump sum to start a business. The amount can be increased to as much as 50,000 francs if the entrepreneur creates another job in addition to his or her own within the first six months.

Initially, only unemployment insurance (UI) recipients were eligible, and the amount they could collect varied according to previous salary. Critics claimed the program was for the benefit of unemployed executives who received substantially more than rank and file UI claimants. As a result, the benefit was made uniform.

Improvements to the program since its beginning include more monitoring and better screening of business proposals. The French also switched the funding from unemployment compensation to general revenues and expanded the program to include welfare recipients as well as UI claimants. As of March 1983, 74,727 jobless people had participated in Chomeurs Createurs, and a government evaluation estimates that between 60 and 80% of the businesses started under the program have survived three years. Officials also estimate that as many as one third of the 110,000 new businesses created in France last year were a result of the program.

A similar British program is based on the belief that many unemployed people would like to start a business but are afraid to because they would lose jobless benefits before they could generate enough income to live on from their new enterprise. The Enterprise Allowance Scheme (EAS) allows qualifying entrepreneurs to collect 40 pounds (currently $45) for up to 52 weeks while their business is getting started. The program also provides a wide range of counseling services and business training.

To be eligible, applicants must: be receiving unemployment benefits, have been out of work for at least 13 weeks, have at least 1000 pounds available to invest in their business, be between 18 and 64 and agree to work full time in the business.

An evaluation of the British system found that most of the new businesses were in the service sector, and 75% were in three industry groups: small repair firms, retail shops, and miscellaneous (mainly auto repair). After 18 months, about 80% of the ventures that survived the first year were still in business. Each new business provided about 1.5 jobs during the first year, increasing to more than 1.65 jobs after 18 months.

During these two months we have looked at alternative programs which could supplement the existing unemployment insurance system. Next month we will review the past 50 years since the current program began. ☐

HOURS & EARNINGS

Mike Staten

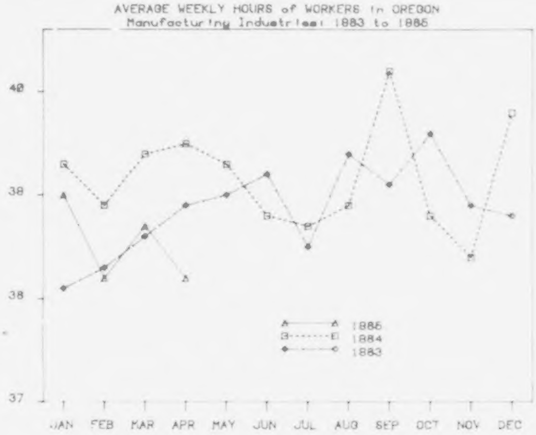
Average hourly earnings for total manufacturing slipped nine cents in April from March's revised level of $10.57. Although the $10.48 reading in April was the highest on record, for that month, it was also the largest percentage decline between March and April in at least 15 years.

Following March's lead, lumber and wood products was the driving force behind the month to month loss. With an average drop of $.18 per hour in lumber and wood products and 40% of manufacturing production workers, gains in the nondurable good manufacturing sectors could not offset the losses posted by most of the wood products industry. Combining this decline and an $.11 per hour drop in average hourly earnings for machinery, 42% of durable goods manufacturing production workers were employed in industries registering hourly earnings declines. Overall, 52% of all manufacturing production workers were in industries noting earnings declines.

Logging and sawmills production worker counts grew 1.6% in April but overtime hours fell 6.9%, both contributing heavily to a $.33 drop in average hourly earnings.

Primary metals saw a 3% increase in overtime hours and a subsequent gain of $.15 in average hourly earnings; total hours, however, fell slightly and the number of production workers remained unchanged.

A labor dispute involving 200 employees in machinery accounted for the $.11 decline in average hourly earnings.



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr. 2/ 1985	Mar. 3/ 1985	Apr. 1984	Apr. 2/ 1985	Mar. 3/ 1985	Apr. 1984	Apr. 2/ 1985	Mar. 3/ 1985	Apr. 1984
TOTAL MANUFACTURING 4/	$400.34	$409.06	$412.38	38.2	38.7	39.5	$10.48	$10.57	$10.44
Durable Goods	408.56	417.20	424.60	38.8	39.1	40.4	10.53	10.67	10.51
Lumber & Wood Products	430.10	438.26	439.43	39.1	39.2	40.5	11.00	11.18	10.85
Logging & Sawmills	458.63	468.00	464.94	39.3	39.0	40.5	11.67	12.00	11.48
Veneer & Plywood	434.58	449.65	456.09	39.4	40.4	41.5	11.03	11.13	10.99
Millwork & Struct Wood	332.00	334.28	320.12	37.9	37.9	38.2	8.76	8.82	8.38
Mobile Homes	291.38	265.36	309.00	34.2	32.6	37.5	8.52	8.14	8.24
Other Wood Products	434.93	430.20	464.95	40.8	40.7	42.5	10.66	10.57	10.94
Furniture & Fixtures	266.92	259.92	248.06	34.8	34.2	31.4	7.67	7.60	7.90
Primary Metals	495.68	490.56	498.31	41.9	42.0	42.7	11.83	11.68	11.67
Fabricated Metals	384.33	387.87	382.78	38.9	39.1	38.9	9.88	9.92	9.84
Machinery	401.77	420.82	414.32	38.3	39.7	40.9	10.49	10.60	10.13
Nondurable Goods	374.56	384.38	375.07	36.4	37.5	36.7	10.29	10.25	10.22
Food & Kindred Products	318.85	326.34	312.93	35.0	36.1	35.2	9.11	9.04	8.89
Canning & Preserving	262.74	266.94	254.21	33.3	34.4	33.1	7.89	7.76	7.68
Other Food Products	392.46	407.51	402.43	37.2	38.3	38.4	10.55	10.64	10.48
Textile Mill Products	240.12	232.09	223.94	39.3	37.8	37.2	6.11	6.14	6.02
Apparel	209.07	218.86	208.82	35.8	37.8	36.7	5.84	5.79	5.69
Paper & Allied Products	591.02	586.10	578.45	41.1	40.9	41.2	14.38	14.33	14.04
Printing & Publishing	370.84	408.04	370.36	33.2	36.4	33.7	11.17	11.21	10.99
Construction 4/	489.19	494.33	482.48	35.5	34.4	32.6	13.78	14.37	14.80
Communications & Utilities 5/	486.82	498.15	474.28	40.4	40.5	39.1	12.05	12.30	12.13
Trade 5/	286.85	285.12	290.19	33.2	33.0	34.1	8.64	8.64	8.51
Wholesale Trade	390.53	383.79	389.72	38.1	37.7	37.8	10.25	10.18	10.31
Retail Trade	237.00	237.00	241.60	30.9	30.7	32.3	7.67	7.72	7.48
Banking & Insurance	287.52	282.73	281.33						
State & Local Government	322.19	324.10	316.15						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

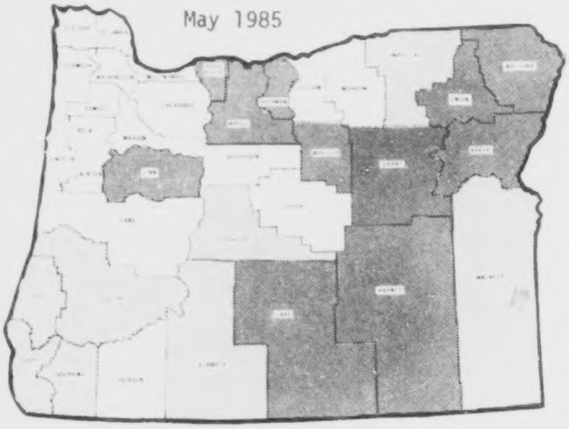
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

While the number of employees and average weekly hours in construction were rising, the average hourly earnings were dropping. This was not at all unhealthy in view of the vast improvement construction has made over the past year: 2,400 more employees and a gain of 2.9 hours per week. This industry was one of the hardest hit by the last recession, and while it has regained over 7,000 employees, it remains nearly 30,000 below the August 1979 peak of 59,300.

A summary of hours and earnings in April for Oregon can be broken out into two major categories: lumber & wood products and construction. The positive trends in the construction industry are definitely encouraging but don't even begin to offset the movements in lumber and wood products; movements which are riding "on the brink" and appear fully capable of falling off with the slightest negative influence.□

STATE OF OREGON
Unemployment Rates by Area

May 1985



☐ under 8.0%
☐ 8.0% - 10.9%
☐ 11.0% - 13.9%
▨ over 14.0%

State of Oregon Unemployment Rates by Area

May 1985

	Civilian Labor Force	Total Employment	Unempl.	Rate
STATE OF OREGON	1,308,400	1,182,800	125,600	9.6
Eugene MSA 1/	129,700	116,500	13,200	10.2
Medford MSA 2/	63,710	56,970	6,740	10.6
Portland PMSA 3/	605,400	557,700	47,700	7.9
Salem MSA 4/	119,500	108,600	10,900	9.1
Baker	6,790	5,810	980	14.4
Benton	31,850	29,910	1,940	6.1
Clatsop	15,450	14,260	1,190	7.7
Columbia	16,640	15,120	1,520	9.1
Coos	25,870	22,310	3,560	13.8
Crook	5,620	5,020	600	10.7
Curry	6,410	5,550	860	13.4
Deschutes	31,870	28,110	3,760	11.8
Douglas	40,570	35,300	5,270	13.0
Gilliam	780	750	30	3.8
Grant	3,430	2,830	600	17.5
Harney	3,420	2,870	550	16.1
Hond River	7,730	6,480	1,250	16.2
Jefferson	5,280	4,780	500	9.5
Josephine	23,780	21,160	2,620	11.0
Klamath	25,190	22,070	3,120	12.4
Lake	3,390	2,870	520	15.3
Lincoln	18,080	16,110	1,970	10.9
Linn	37,810	31,950	5,860	15.5
Malheur	11,020	9,680	1,340	12.2
Morrow	4,950	4,510	440	3.9
Tillamook	8,910	7,970	940	10.5
Umatilla	27,490	24,270	3,220	11.7
Union	10,980	9,380	1,600	14.6
Wallowa	3,800	3,130	670	17.6
Wasco-Sherman	12,590	10,510	2,080	16.5
Wheeler	550	460	90	16.4

1/ Lane County
2/ Jackson County
3/ Clackamas, Multnomah, Washington, Yamhill counties
4/ Marion and Polk counties

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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SALEM, OREGON 97311

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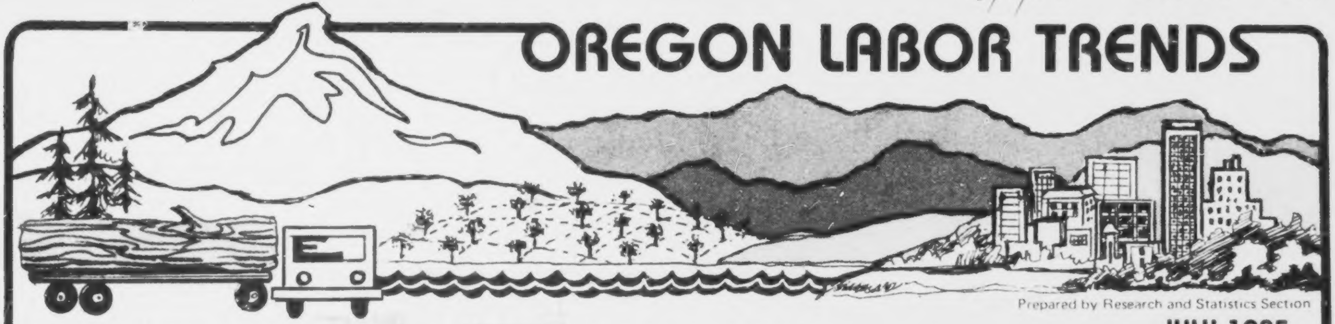


Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JULY 1985

JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
June 1985	9.8
May 1985	9.7
June 1984	9.5
U.S.	
June 1985	7.3
May 1985	7.3
June 1984	7.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
June 1985	108.9
May 1985	109.2
Apr. 1985	109.1
Mar. 1985	109.4
Feb. 1985	109.6

DIFFUSION INDEX

Oregon	
June 1985	46.5
May 1985	50.4
Apr. 1985	48.1
Mar. 1985	54.7
Feb. 1985	57.0

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
May 1985	38.8
Apr. 1985	38.3
May. 1984	39.3

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA	
May 1985	310.4
Yearly Change	+ 2.8%
U.S.	
June 1985	322.3
Yearly Change	+ 3.7
Portland Hotline	221-4132

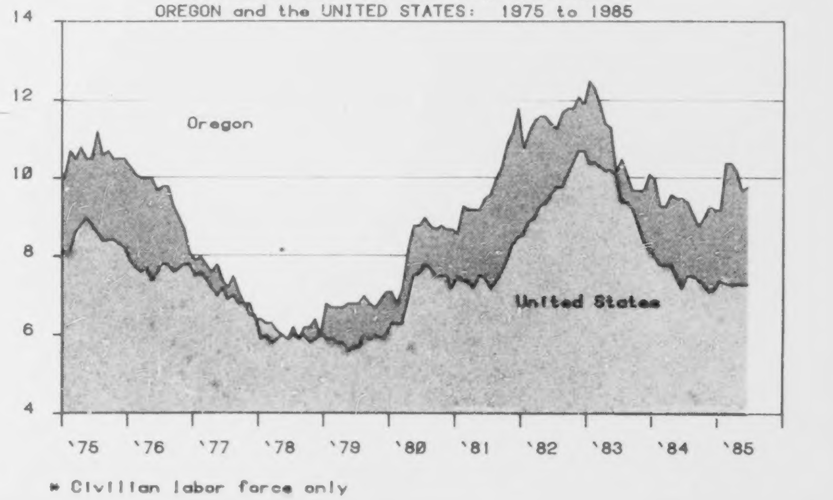
MONTHLY ECONOMIC ANALYSIS

Jeff Hannum

Although the economic recovery began just two and a half years ago, there are signs that the business expansion, both nationally and in Oregon, is beginning to wane. Nationally, for example, the unemployment rate has been stuck at 7.3% for the past five months. Other signs include a recent softening in retail sales, business loan demand and industrial production. Although classic pre-recession signs such as rising inflation and interest rates are not evident, the lethargic pace of the nation's economy during the first half of 1985 is cause for concern. Much of the blame for this lackluster performance can be laid on the nation's soaring international trade deficit, which is steadily eroding our industrial base. This problem, in turn, has its roots in persistent federal budget deficits near $200 billion a year, which contribute to high real interest rates and an overvalued dollar relative to other nations' currencies.

For the past several months the Federal Reserve has been trying to breathe new life into the economy by allowing faster growth of the money supply and fostering lower interest rates. In mid-May, for example, the FED dropped its key discount rate to member banks by one-half point to 7.5%. Most of the nation's banks, including many in Oregon, followed suit by lowering their prime, or base, lending rate from 10% to 9.5%. This reduction, which brought the prime interest rate to its lowest level in seven years, was actually just the latest in a stairstep pattern of declines since last September when the base lending rate was 13%.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



* Civilian labor force only

RESIDENT OREGON LABOR FORCE

	JUN. 1985 1/	MAY 1985 2/	CHANGE	% CHANGE	JUN. 1984 5/
CIVILIAN LABOR FORCE 3/	1,335,600	1,310,700	24,900	1.9	1,363,200
UNEMPLOYMENT	125,200	127,000	- 1,800	- 1.4	124,400
PERCENT OF LABOR FORCE	9.4	9.7	XXX	XXX	9.1
SEASONALLY ADJUSTED PERCENT	9.8	9.7	XXX	XXX	9.5
TOTAL EMPLOYMENT 4/	1,210,400	1,183,700	26,700	2.3	1,238,700

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUN. 1985 1/	MAY 1985 2/	JUN. 1984	CHANGE FROM MAY 1985	CHANGE FROM JUN. 1984
TOTAL 3/	1,038,500	1,025,500	1,017,000	13,000	21,500
WAGE & SALARY EMPLOYMENT INDEX 4/	108.9	109.2	106.7	XXX	XXX
DIFFUSION INDEX 5/	46.5	50.4	56.2	XXX	XXX
TOTAL MANUFACTURING	198,600	194,400	200,400	4,200	- 1,800
DURABLE GOODS	145,600	143,600	148,100	2,000	- 2,500
LUMBER & WOOD PRODUCTS	65,700	63,800	68,200	1,900	- 2,500
LOGGING & SAWMILLS	35,300	34,000	36,900	1,300	- 1,600
VENEER & PLYWOOD	16,200	15,800	17,400	400	- 1,200
MILLWORK & STRUCTURAL WOOD	8,800	8,400	8,200	400	600
MOBILE HOMES	1,400	1,600	1,800	- 200	- 400
OTHER WOOD PRODUCTS	4,000	4,000	3,900	0	100
FURNITURE AND FIXTURES	2,600	2,600	2,600	0	0
STONE, CLAY, GLASS & CONCRETE	2,600	2,500	2,700	100	- 100
PRIMARY METALS	9,100	9,100	9,400	0	- 300
BLAST FURNACES, IRON & STEEL	5,600	5,700	5,200	- 100	400
NONFERROUS METALS	3,500	3,400	4,200	100	- 700
FABRICATED METALS	10,400	10,200	10,300	200	100
FABRICATED STRUCTURAL METALS	5,300	5,000	4,800	300	500
OTHER FABRICATED METALS	5,100	5,200	5,500	- 100	- 400
MACHINERY	15,600	15,400	15,700	200	- 100
ELECTRICAL EQUIPMENT & SUPPLIES	14,100	14,200	14,000	- 100	100
TRANSPORTATION EQUIPMENT	8,000	8,400	8,100	- 400	- 100
INSTRUMENTS & RELATED PRODUCTS	14,500	14,400	14,500	100	0
MISCELLANEOUS MANUFACTURING	3,000	3,000	2,600	0	400
NONDURABLE GOODS	53,000	50,800	52,300	2,200	700
FOOD & KINDRED PRODUCTS	22,700	20,800	21,300	1,900	1,400
CANNING & PRESERVING	12,500	10,600	10,900	1,900	1,600
OTHER FOOD PRODUCTS	10,200	10,200	10,400	0	- 200
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,300	2,300	2,900	0	- 600
PAPER & ALLIED PRODUCTS	9,500	9,200	9,300	300	200
PRINTING & PUBLISHING	11,100	11,000	11,000	100	100
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,200	0	- 100
PETROLEUM REFINING	500	500	600	0	- 100
RUBBER & PLASTIC PRODUCTS	2,800	2,900	2,900	- 100	- 100
LEATHER PRODUCTS	400	400	500	0	- 100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUN. 1985	MAY 1985	JUN. 1984	CHANGE FROM MAY 1985	CHANGE FROM JUN. 1984
(CONT.)					
TOTAL NONMANUFACTURING	839,900	831,100	816,600	8,800	23,300
MINING & QUARRYING	1,500	1,500	1,700	0	- 200
CONSTRUCTION	32,900	31,700	30,600	1,200	2,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	54,800	54,500	56,900	300	- 2,100
TRANSPORTATION	32,600	32,300	33,900	300	- 1,300
RAILROAD	5,200	5,200	5,400	0	- 200
TRUCKING & WAREHOUSING	17,400	17,100	18,000	300	- 600
OTHER TRANSPORTATION	10,000	10,000	10,500	0	- 500
COMMUNICATIONS	13,500	13,500	14,200	0	- 700
UTILITIES	8,700	8,700	8,800	0	- 100
TRADE	262,800	259,800	254,400	3,000	8,400
WHOLESALE TRADE	66,000	65,900	64,400	100	1,600
DURABLE GOODS	39,300	39,000	38,400	300	900
NONDURABLE GOODS	26,700	26,900	26,000	- 200	700
RETAIL TRADE	196,800	193,900	190,000	2,900	6,800
GENERAL MERCHANDISE	22,900	22,800	24,100	100	- 1,200
FOOD STORES	30,900	30,600	27,900	300	3,000
AUTO DEALERS & SERVICE STATIONS	25,700	25,300	24,600	400	1,100
OTHER RETAIL TRADE	117,300	115,200	113,400	2,100	3,900
FINANCE, INSURANCE, & REAL ESTATE	69,000	68,400	66,300	600	2,700
BANKING & CREDIT AGENCIES	23,300	23,200	23,600	100	- 300
OTHER FINANCE, INSURANCE, & REAL ESTATE	45,700	45,200	42,700	500	3,000
SERVICES	213,200	210,400	207,000	2,800	6,200
HOTELS & PERSONAL SERVICES	24,400	24,000	24,500	400	- 100
HEALTH SERVICES	69,300	68,700	67,800	600	1,500
OTHER SERVICES	119,500	117,700	114,700	1,800	4,800
GOVERNMENT	205,700	204,800	199,700	900	6,000
FEDERAL GOVERNMENT	31,500	30,700	30,000	800	1,500
STATE GOVERNMENT	56,800	56,100	55,700	700	1,100
EDUCATION	23,300	23,200	22,900	100	400
OTHER STATE	33,500	32,900	32,800	600	700
LOCAL GOVERNMENT	117,400	118,000	114,000	- 600	3,400
EDUCATION	74,600	76,100	71,300	- 1,500	3,300
OTHER LOCAL	42,800	41,900	42,700	900	100
LABOR-MANAGEMENT DISPUTES	0	0	600	0	- 600

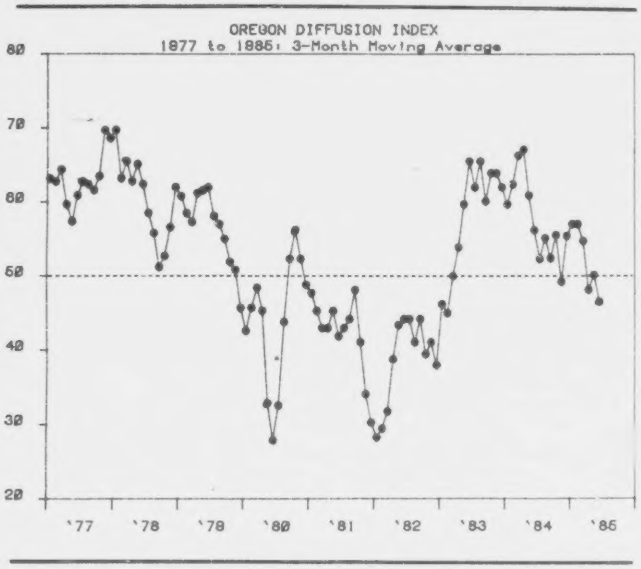
1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.



Despite the substantial improvement in credit markets since last fall, Oregon's economy has been unusually slow, or even unable, to benefit. This has been particularly true for much of the first half of 1985, and June was no exception. At first glance, June's labor force figures appear to show solid improvement - total employment surged upward by 26,700 between May and June, the number of unemployed workers fell by 1,800 to 125,200, and the raw unemployment rate dropped to 9.4% from 9.7% in May. In addition, most all of the industrial categories listed on the accompanying labor force table showed employment gains over the month.

A better assessment of June's labor market picture emerges, however, if we focus on seasonally adjusted industry employment trends and labor market indicators. This technique allows us to determine the underlying direction of the economy by removing the effects of normal, or expected, seasonal changes in employment and unemployment each month.

First, let's look at the three general indicators of labor market activity produced by the Employment Division, all of which are seasonally adjusted. The state's unemployment rate, after removing seasonal influences, actually rose slightly to 9.8% in June from 9.7% in May. Although June's rate was an improvement over the 10.4% rate of February and March, it still marked the fifth month in a row in which the unemployment rate was higher than the same month the year before. With 1985 now half over, unemployment is averaging about 10% of the labor force. Earlier hopes that the jobless rate would decline in 1985 from last year's average of 9.4% are now fading into the sunset.

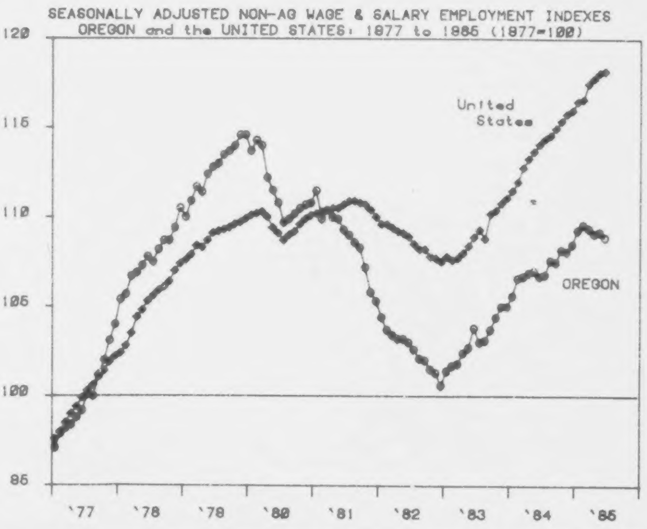
Another indicator that is currently flashing warning signs is the Oregon diffusion index. This leading indicator, which was discussed in a special article in last month's issue of Oregon Labor Trends, slumped nearly four percentage points in June to 46.5. This means that of the 43 component industries that comprise the index, fewer than half were experiencing gains in seasonally adjusted employment. The majority of industries, in other words, were either losing workers or, in most cases, were not adding as many new employees in June as they would normally.

An accompanying graph charts the monthly trend in the diffusion index since 1977. From this, two points stand out. First, June's index of 46.5 is the lowest level in nearly two and a half years. Second, the trend has clearly been downward throughout the first half of 1985. Although it is too early to be certain, it is probable that the index will continue to decline in the next few months. This likelihood is based on the spate of recent announcements of impending layoffs of nearly 2,000 workers in various manufacturing industries, including lumber and wood products, primary and fabricated metals, electronics, and transportation equipment.

Another broad indicator which signaled weakness in the economy during June and several preceding months is the nonfarm wage and salary employment index. This labor market barometer, which relates seasonally adjusted payroll employment in the current month to the 1977 annual average, dipped by 0.3 in June to 108.9, the lowest level so far this year.

The graph below shows the slump in Oregon's employment index over the past several months. While the nation's index climbed steadily higher over the past two and a half years, Oregon's index took a turn for the worse last March, and has continued to inch lower through June. This downward trend in 1985 is particularly disconcerting because it occurred at the same time interest rates were falling. Keep in mind that the U.S. housing industry is already one of the pillars of today's economy, and has been since 1983. If this is how Oregon's economy fares when housing construction is strong nationally and interest rates are falling, what are we to expect if the housing cycle turns down and rates begin to rise again? Since the answer to that question is probably even more disconcerting, let's leave it for posterity and turn our attention to some of the more significant industry employment developments in June.

As stated earlier, nearly all employment sectors added workers last month. By far the greatest gains came in agriculture, where employment soared by over 13,000, primarily due to the onset of the labor intensive strawberry harvest and warm, dry weather.



This June's farm employment increase was nearly double the gain experienced last year when cool, wet weather delayed the harvest of early ripening crops such as strawberries and cherries. Although this year's strawberry production will be down from 1984, berry prices are higher than a year ago. This mixed picture is typical of the agricultural industry, which remains generally in a depressed condition in Oregon, as well as nationwide. One indication of continuing problems in the farm economy was the recent announcement by the Oregon Crop and Livestock Reporting Service that farmland in Oregon took another steep drop in value (-17%) during the year ending April 1, 1985. The corresponding change nationally was -12%.

The nonfarm sector also added about 13,000 new workers in June. Unfortunately, this gain was 3,200 less than seasonally expected. It was also significant that this shortfall was not concentrated in one or two industries, but spread over all the major industries except services.

One third of this 3,200 shortfall came in the manufacturing sector, which generated 4,200 more jobs in June. Lumber and wood, and food and kindred products each hired 1,900 new workers, but the gains in both of these important industries were below par, especially in the wood products industry. Despite good housing demand nationally, falling interest rates and stronger lumber and plywood prices during the spring, seasonally adjusted employment in Oregon's wood products industry has declined during the last five months as shown below:

	Jan	Feb	Mar	Apr	May	Jun
Actual	-1,100	-200	-300	+400	+1,200	+1,900
Seas. Adj.	0	-1,100	-500	-400	-100	-800

Only one segment of the wood products industry, millwork and structural wood, appears to have fully recovered from the last recession. The other sectors continue to struggle with various problems ranging from high costs for virtually all factors of production, to competition from other areas (i.e. Canada and Southern U.S.), to excess production capacity, etc. Many forest products companies are currently trying to deal with these problems by restructuring and/or shrinking operations in order to lower their costs. Unfortunately, wage rate freezes or roll-backs and worker layoffs are often one element of these restructuring efforts. The 2,500 job loss in lumber and wood products over the past year is a reflection of the continuing distress in this industry. Another sign is the very high unemployment rates of local areas in Oregon most dependent on the timber industry. In May, for example, the jobless rate was 7.9% in the Portland area compared with over 17% in Wallowa and Grant counties.

Other than the large employment gain in food products, which was generated by the processing of strawberries, there was relative stability in the rest of manufacturing. Employment shifts were generally in the 100-200 range. One exception was transportation equipment manufacturing, which slumped by 400 workers due to continuing woes in the shipbuilding and repair business. Although June's labor trends in several of the durable goods manufacturing (except wood products) industries were relatively normal, the picture will change in July. This is when recently announced layoffs affecting nearly 2,000 workers will take effect in industries which produce trucks, aluminum, nickel, semi-conductors, oil industry modules, and other capital equipment. Fortunately, most of these planned layoffs are expected to be short-term.

The growing weakness in goods-producing industries may finally be catching up to the nonmanufacturing sector of the economy. In June, 8,800 more nonmanufacturing jobs were added. If normal seasonal patterns had prevailed, however, the increase would have been nearly 11,000. As shown below, only one of the major nonmanufacturing sectors performed better than seasonally expected in June.

Change in Seasonally Adjusted Employment, 1985

	Jan	Feb	Mar	Apr	May	Jun
Mining	-100	0	100	-100	100	-100
Constr.	900	0	-100	500	700	-900
T.C.U.	400	1,500	0	-200	-300	-900
Trade	4,600	-1,400	1,600	300	-200	-1,600
F.I.R.E.	1,400	100	-100	-400	500	-500
Services	600	1,000	-700	-400	-500	2,000
Govt.	-1,700	1,500	-400	-600	700	100
Nonmfg.	6,100	2,700	400	-900	1,000	-2,100

Services, particularly those used by other businesses, was the sole bright spot in June. Business services, which include activities as diverse as public relations, consulting, advertising, data processing, log scaling, and providing temporary workers to other businesses, added 2,500 jobs over the month. This brought employment in business services to a level 5,400 higher than a year ago and 12,000 greater than in 1983. Although June is the traditional start of the summer tourist season, travel/recreation-related services such as lodging places and amusements failed to expand as much as expected.

Nationally, retail sales took their steepest plunge in 11 months in June, as consumers became more reluctant to pile up installment debt. Sales of big-ticket items such as autos, household appliances and furniture were especially affected. Whether Oregon followed this sales trend in June is unknown. If our employment trend in trade can be used as a proxy, it does appear that overall trade activity lost momentum in June. Although the number of jobs in trade rose by 3,000 over the month, this translated into the largest seasonally adjusted employment decline (-1,600) of any major industry. As in May, no one area within trade was to blame. Rather, most of the wholesale and retail distributors and sellers, mirroring their transportation, manufacturing and construction counterparts, simply hired less additional help than they usually do at this time of year.

That assessment pretty well sums up the whole employment situation during June, with the notable exceptions of agriculture and services. Based on the track record so far this year, where Oregon's economy will go from here should be a matter of growing concern.□

USING EMPLOYER DATA – OPPS DELIVERY

David Allen

Recent Oregon Labor Trend articles have discussed several statistical programs, including the Current Employment Statistics program (CES, March '85) and the Occupational Employment Statistics program (OES, May '85). These are only two of the many government and private employer surveys designed to help answer the question "Where are the jobs?". Indeed, the employer is carrying the burden of providing all of us with statistical information. We in government are making a concerted effort to eliminate duplicative effort and still provide Oregonians with useful information necessary for decision-making.

The Occupational Program Planning System (OPPS) was created in 1979 by an interagency agreement between the Oregon Department of Education, Vocational Education Division; the Vocational Rehabilitation Division; the Employment Division; and Employment and Training programs (now the Job Training Partnership Administration). In 1985, the Economic Development Department also became a member agency. The purpose of this consortium is to provide a common occupational demand/supply data base that can serve both government and private information needs. The Employment Division is responsible for the technical operation, data delivery and user training offered by OPPS.

The accompanying matrix shows the types of information and the OPPS products that are available. The employment data cover over 1,000 occupations found in Oregon's wage and salary labor force.

Along with demand/supply information, OPPS provides a variety of user services. The following table shows examples of the type of service, the typical user and the questions answered. Employers should take special note of the labor force availability analysis that is offered. Using the OPPS program, the Employment Division can, upon request, help employers determine both the quantity and quality of labor supply, and provide customized labor market reports upon request.

The importance of using labor market information for program planning, economic development, and career decision-making is difficult to estimate. However, it is obvious that using the information, provided largely by the employer, helps us all.□

OCCUPATIONAL DATA AVAILABLE IN OPPS PUBLICATIONS	Statewide Publication	District Publication	Crosswalks	Occupations by Industry	Characteristics of Job Applicants	Demand File Lists	Projections to 1991	ESARS Reports	Supply File Listing
DEMAND DATA									
Long Term									
Employment	●	●				●	●		
Projected Openings	●	●				●	●		
Short Term									
Employment Div. Job Openings	●	●						●	
SUPPLY DATA									
Potential Supply									
Community Colleges, Colleges, Private Voc. Schools, High Schools, Corrections	●								●
OJT And Work Experience									
Apprenticeship, Vocational Rehabilitation, Job Training Programs	●								●
Current Supply									
Unemployed	●	●				●		●	
Employment Div. Job Applicants	●	●			●				
CHARACTERISTICS DATA									
Wages	●							●	
Industry Employment				●				●	
Working Conditions	●		●						
Educational Requirements			●						
Job Descriptions			●						
Aptitudes Required			●						

To obtain OPPS information or service contact:

David Allen, OPPS
Employment Division
875 Union NE
Salem, OR 97311
(503) 378-6400

OPPS SERVICES

OPPS Service	Typical Users	Questions Answered
Demand/Supply and Program of Training Analysis	Department of Education/ Vocational Education Community Colleges Colleges High Schools	Is there a surplus, balance or shortage of workers in this program of training? Should a community college start a new program, modify or drop an existing program?
Employment Outlook Analysis for Occupations	Employment Division Vocational Rehabilitation (Public & Private) Job Training Partnership Administration Workers' Compensation Job Seekers	Are there reasonable job opportunities for an occupation? For which occupations should this agency provide training?
Labor Force Availability Analysis	Economic Development Groups Private Employers	Is there sufficient skilled labor for a new company in this area?
User Training	All User Groups	How can I use this information in my work?

HOURS & EARNINGS

Jason Yohannan

Unlike some employment and unemployment statistics, Oregon hours and earnings are not seasonally adjusted. This does not mean that seasonal influences are absent, however. The construction industry provided the best example of seasonality in both the average hourly earnings and weekly hours series in May.

Average hourly earnings for construction workers declined 19¢, from $13.80 in April to $13.61 in May. Falling wages can often signal a weakening economy or sector of the economy, but that is not likely the case for construction in May. Rather, there are two other reasons for this decline.

First, because of the highly seasonal nature of this industry, average wages tend to fall when employment begins to rise. This reflects newer employees coming on board at a lower pay rate than year-round job holders. The average hourly wage tends to rise again later in the year as these seasonal workers are let go. The same effect takes place in the canning and preserving industry during its peak season (July-October). In both industries, however, this seasonal pattern will be less pronounced if the "peak" also includes extended hours which translate into higher overtime wages.

The second reason for a seasonal decline in average wages is the changing composition of construction work each month. Employment in residential building construction, for example, tends to have a more pronounced seasonal pattern than employment in plumbing or electrical work. Thus, as spring and summer begin, a growing proportion of construction activity takes place within the $9.00-10.00 per hour residential building sector. The $16.00-17.00 per hour plumbing or electrical work sectors, however, keep their employment levels fairly steady, thereby becoming a smaller percentage of the total construction industry. The result has been an April-to-May average hourly earnings decline for six consecutive years. This year's drop was 19¢; over the previous five years the decline averaged 24¢.

On the other side of the coin, increasing average weekly hours often signal improvement in an industry, but that is probably only partially true here. In construction, the average workweek rose by 0.2 hours over the month. That is normal, however, because of the often-mentioned reason, improving weather, and the seldom-mentioned but equally seasonal reason, growing hours of daylight. Picking up 0.2 hours in an industry is generally applauded, however there have been April-to-May increases for five consecutive years, and in the past four years these averaged +0.8.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May 2/ 1985	Apr. 3/ 1985	May 1984	May 2/ 1985	Apr. 3/ 1985	May 1984	May 2/ 1985	Apr. 3/ 1985	May 1984
TOTAL MANUFACTURING	$407.40	$402.15	$411.47	38.8	38.3	39.3	$10.50	$10.50	$10.47
Durable Goods	418.70	410.78	422.80	39.5	38.9	40.0	10.60	10.56	10.57
Lumber & Wood Products	444.21	432.38	435.71	40.2	39.2	39.9	11.05	11.03	10.92
Logging & Sawmills	475.51	462.56	467.83	40.4	39.3	40.4	11.77	11.77	11.58
Veneer & Plywood	438.98	434.19	444.72	40.2	39.4	40.8	10.92	11.02	10.90
Millwork & Struct Wood	352.23	334.46	312.80	39.8	38.4	36.8	8.85	8.71	8.50
Mobile Homes	320.16	303.58	295.14	36.8	35.8	34.6	8.70	8.48	8.53
Other Wood Products	424.66	429.71	447.70	40.1	40.5	40.7	10.59	10.61	11.00
Furniture & Fixtures	271.39	267.88	262.15	35.2	34.7	33.1	7.71	7.72	7.92
Primary Metals	496.69	499.93	498.10	42.2	41.8	42.5	11.77	11.96	11.72
Fabricated Metals	381.81	386.31	376.35	39.2	39.1	39.0	9.74	9.88	9.65
Machinery	403.37	396.62	414.12	38.6	38.1	40.8	10.45	10.41	10.15
Nondurable Goods	376.66	375.28	376.46	37.0	36.4	37.2	10.18	10.31	10.12
Food & Kindred Products	326.26	318.29	314.18	36.7	34.9	35.5	8.89	9.12	8.85
Canning & Preserving	271.74	260.37	261.63	35.2	33.0	34.2	7.72	7.89	7.65
Other Food Products	399.38	392.40	389.04	38.7	37.3	37.3	10.32	10.52	10.43
Textile Mill Products	232.38	239.51	227.93	37.3	39.2	37.8	6.23	6.11	6.03
Apparel	208.57	205.28	211.86	36.4	35.7	37.9	5.73	5.75	5.59
Paper & Allied Products	572.00	587.11	564.71	40.0	40.8	41.1	14.30	14.39	13.74
Printing & Publishing	363.22	372.08	399.08	32.9	33.4	35.6	11.04	11.14	11.21
Construction	481.79	485.76	476.42	35.4	35.2	33.2	13.61	13.80	14.35
Communications & Utilities	505.04	484.79	482.40	40.5	39.9	40.1	12.47	12.15	12.03
Trade	290.49	288.10	287.64	33.7	33.5	34.0	8.62	8.60	8.46
Wholesale Trade	394.92	390.53	382.60	37.9	38.1	37.4	10.42	10.25	10.23
Retail Trade	238.90	239.13	241.28	31.6	31.3	32.3	7.56	7.64	7.47
Banking & Insurance	284.83	283.51	264.59						
State & Local Government	324.49	320.82	315.39						

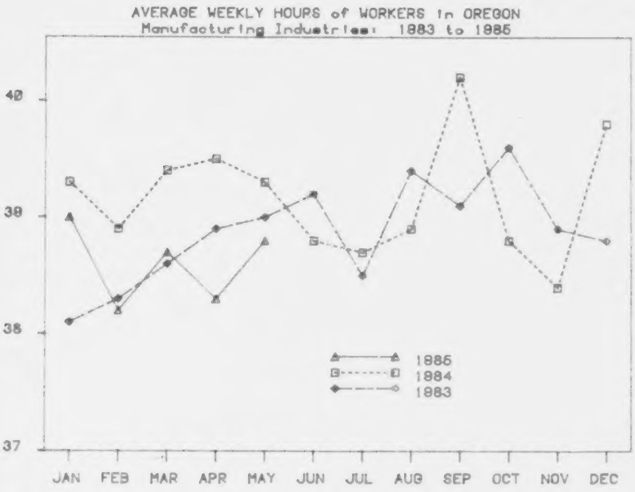
1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

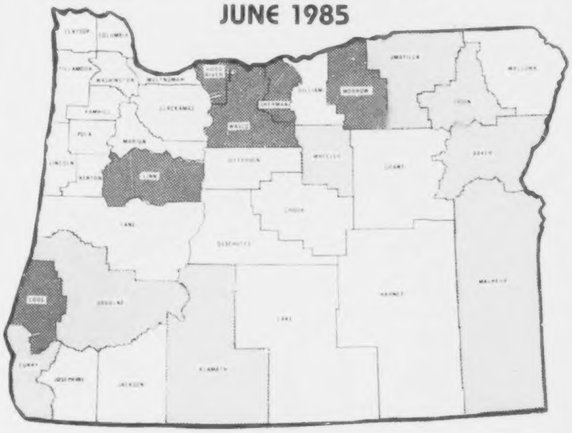
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.


AVERAGE WEEKLY HOURS of WORKERS in OREGON
Manufacturing Industries: 1983 to 1985

STATE OF OREGON Unemployment Rates by Area

JUNE 1985



☐ under 8.0%	▨ 11.0% - 13.9%
☐ 8.0% - 10.9%	■ over 14.0%

State of Oregon Unemployment Rates by Area

June 1985

	Civilian Labor Force	Total Employment	Unempl.	Rate
STATE OF OREGON	1,335,600	1,210,400	125,200	9.4
Eugene MSA 1/	131,300	118,800	12,500	9.5
Medford MSA 2/	64,660	58,050	6,610	10.2
Portland PMSA 3/	614,300	565,400	48,900	8.0
Salem MSA 4/	126,200	115,400	10,800	8.6
Baker	6,860	5,980	880	12.8
Benton	32,110	30,190	1,920	6.0
Clatsop	15,810	14,590	1,220	7.7
Columbia	17,620	16,000	1,620	9.2
Coos	26,430	22,480	3,950	14.9
Crook	5,640	5,080	560	9.9
Curry	6,410	5,660	750	11.7
Deschutes	32,410	28,930	3,480	10.7
Douglas	41,790	36,830	4,960	11.9
Gilliam	790	750	40	5.1
Grant	3,370	3,010	360	10.7
Harney	3,600	3,210	390	10.8
Hood River	8,370	6,790	1,580	18.9
Jefferson	5,480	4,950	530	9.7
Josephine	24,140	21,630	2,510	10.4
Klamath	24,980	22,240	2,740	11.0
Lake	3,470	3,130	340	9.8
Lincoln	18,290	16,440	1,850	10.1
Linn	38,840	33,290	5,550	14.3
Malheur	11,880	10,360	1,520	12.8
Morrow	4,590	3,640	950	20.7
Tillamook	8,940	8,010	930	10.4
Umatilla	29,070	25,250	3,820	13.1
Union	11,010	9,710	1,300	11.8
Wallowa	3,730	3,330	400	10.7
Wasco-Sherman	12,960	10,770	2,190	16.9
Wheeler	540	480	60	11.1

1/ Lane County
2/ Jackson County
3/ Clackamas, Multnomah, Washington, Yamhill counties
4/ Marion and Polk counties

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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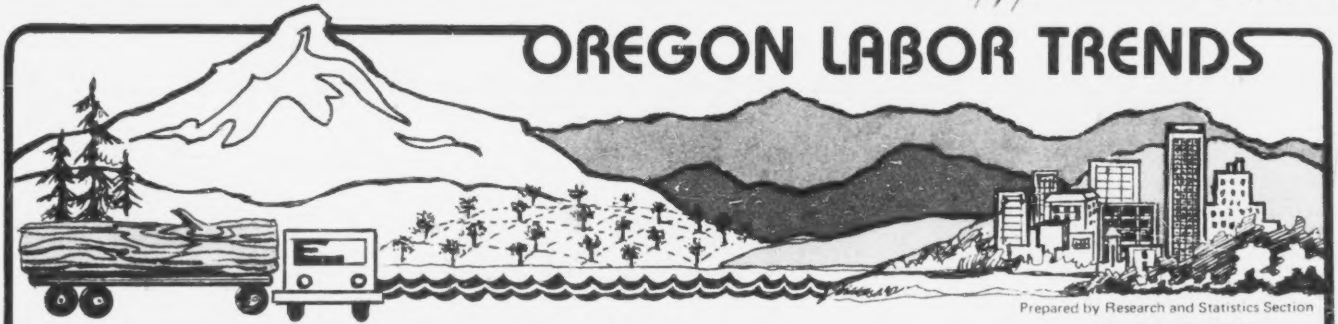


OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

AUGUST 1985

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
July 1985	9.5
June 1985	9.8
July 1984	9.4
U.S.	
July 1985	7.3
June 1985	7.3
July 1984	7.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
July 1985	108.5
June 1985	108.7
May 1985	109.2
Apr. 1985	109.1
Mar. 1985	109.4

DIFFUSION INDEX

Oregon	
July 1985	46.5
June 1985	45.7
May 1985	50.4
Apr. 1985	48.1
Mar. 1985	54.7

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
June 1985	39.5
May 1985	38.8
June 1984	38.8

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
July 1985	312.9
Yearly Change	+ 4.0%
U.S.	
July 1985	322.8
Yearly Change	+ 3.6

Portland Hotline 221-4132

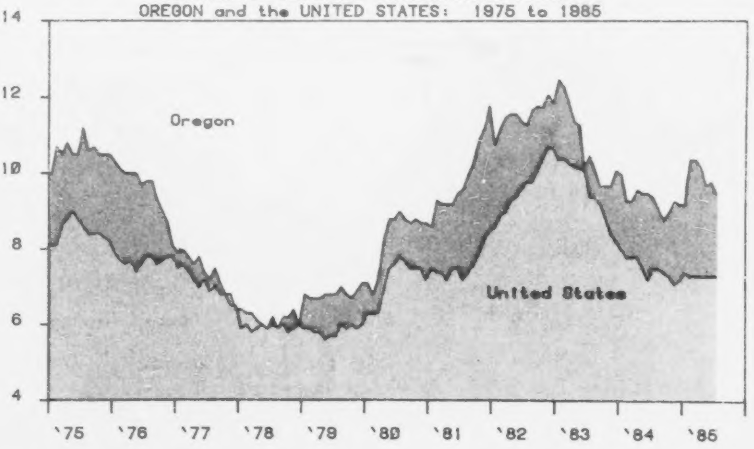
MONTHLY ECONOMIC ANALYSIS

Jason Yohannan

The up-and-down Oregon economy continued to emit mixed signals regarding its health in July as two of the three main economic indicators tracked by the Employment Division moved in a positive direction. The statewide seasonally adjusted unemployment rate fell from 9.8% in June to 9.0% in July, with the count of unemployed individuals declining by 6,300. The diffusion index (an important indicator described in a special article in the June 1985 issue of Oregon Labor Trends) increased .8 to 46.5, but remained at a level suggesting little improvement ahead. Wage and salary employment fell by 20,100 as thousands of public and private education jobs ended for the school year. The overall reduction was 1,700 workers more than seasonal trends would warrant, leading to a drop of .2 in the nonagricultural wage and salary employment index. At 108.5 in July, the index is exactly the same as it was last December, meaning that when the impact of expected seasonal influences is extracted, the level of wage and salary employment has not changed much since December. "Unchanged" would also aptly describe the national unemployment picture. The U.S. seasonally adjusted civilian unemployment rate has been stuck at 7.3% since February.

As mentioned earlier, most of the monthly change was caused by education, where losses could be found in state government (colleges and universities), local government (school districts and community colleges), and services (primary and secondary private schools and private colleges and universities). Local school districts were the biggest loser, dropping by 19,000.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



* Civilian labor force only

RESIDENT OREGON LABOR FORCE

	JUL. 1985 1/	JUN. 1985 2/	CHANGE	% CHANGE	JUL. 1984 5/
CIVILIAN LABOR FORCE 3/	1,325,300	1,334,100	- 8,800	- 0.7	1,342,600
UNEMPLOYMENT	118,800	125,100	- 6,300	- 5.0	119,700
PERCENT OF LABOR FORCE	9.0	9.4	XXX	XXX	8.9
SEASONALLY ADJUSTED PERCENT	9.5	9.8	XXX	XXX	9.4
TOTAL EMPLOYMENT 4/	1,206,500	1,209,000	- 2,500	- 0.2	1,222,900

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUL. 1985 1/	JUN. 1985 2/	JUL. 1984	CHANGE FROM JUN. 1985	CHANGE FROM JUL. 1984
TOTAL 3/	1,016,700	1,036,800	999,900	- 20,100	16,800
WAGE & SALARY EMPLOYMENT INDEX 4/	108.5	108.7	106.8	XXX	XXX
DIFFUSION INDEX 5/	46.5	45.7	52.3	XXX	XXX
TOTAL MANUFACTURING	202,400	199,100	202,000	3,300	400
DURABLE GOODS	145,600	145,500	148,600	100	- 3,000
LUMBER & WOOD PRODUCTS	66,900	65,500	67,700	1,400	- 800
LOGGING & SAWMILLS	36,000	35,200	36,900	800	- 900
VENEER & PLYWOOD	16,300	16,100	16,700	200	- 400
MILLWORK & STRUCTURAL WOOD	9,000	8,700	8,300	300	700
MOBILE HOMES	1,400	1,400	1,800	0	- 400
OTHER WOOD PRODUCTS	4,200	4,100	4,000	100	200
FURNITURE AND FIXTURES	2,600	2,600	2,500	0	100
STONE, CLAY, GLASS & CONCRETE	2,700	2,600	2,800	100	- 100
PRIMARY METALS	8,800	9,100	9,500	- 300	- 700
BLAST FURNACES, IRON & STEEL	5,500	5,600	5,300	- 100	200
NONFERROUS METALS	3,300	3,500	4,200	- 200	- 900
FABRICATED METALS	10,500	10,300	10,300	200	200
FABRICATED STRUCTURAL METALS	5,300	5,100	4,800	200	500
OTHER FABRICATED METALS	5,200	5,200	5,500	0	- 300
MACHINERY	15,600	15,600	15,800	0	- 200
ELECTRICAL EQUIPMENT & SUPPLIES	14,200	14,100	14,100	100	100
TRANSPORTATION EQUIPMENT	6,800	8,100	8,800	- 1,300	- 2,000
INSTRUMENTS & RELATED PRODUCTS	14,500	14,500	14,300	0	200
MISCELLANEOUS MANUFACTURING	3,000	3,100	2,800	- 100	200
NONDURABLE GOODS	56,800	53,600	53,400	3,200	3,400
FOOD & KINDRED PRODUCTS	26,200	23,200	22,500	3,000	3,700
CANNING & PRESERVING	15,800	13,000	11,800	2,800	4,000
OTHER FOOD PRODUCTS	10,400	10,200	10,700	200	- 300
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,300	2,300	2,800	0	- 500
PAPER & ALLIED PRODUCTS	9,500	9,500	9,500	0	0
PRINTING & PUBLISHING	11,200	11,100	11,000	100	200
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	500	600	0	- 100
RUBBER & PLASTIC PRODUCTS	2,900	2,900	2,800	0	100
LEATHER PRODUCTS	500	400	500	100	0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUL. 1985	JUN. 1985	JUL. 1984	CHANGE FROM JUN. 1985	CHANGE FROM JUL. 1984
(CONT.)					
TOTAL NONMANUFACTURING	814,300	837,700	797,900	- 23,400	16,400
MINING & QUARRYING	1,600	1,500	1,800	100	- 200
CONSTRUCTION	35,100	33,400	33,200	1,700	1,900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	55,000	55,000	56,800	0	- 1,800
TRANSPORTATION	32,600	32,700	34,000	- 100	- 1,400
RAILROAD	5,100	5,200	5,400	- 100	- 300
TRUCKING & WAREHOUSING	17,600	17,500	18,300	100	- 700
OTHER TRANSPORTATION	9,900	10,000	10,300	- 100	- 400
COMMUNICATIONS	13,500	13,500	14,000	0	- 500
UTILITIES	8,900	8,800	8,800	100	100
TRADE	262,600	262,500	254,700	100	7,900
WHOLESALE TRADE	66,600	66,000	64,900	600	1,700
DURABLE GOODS	39,500	39,200	38,500	300	1,000
NONDURABLE GOODS	27,100	26,800	26,400	300	700
RETAIL TRADE	196,000	196,500	189,800	- 500	6,200
GENERAL MERCHANDISE	23,100	23,000	24,400	100	- 1,300
FOOD STORES	31,500	31,200	28,400	300	3,100
AUTO DEALERS & SERVICE STATIONS	25,500	25,500	24,800	0	700
OTHER RETAIL TRADE	115,900	116,800	112,200	- 900	3,700
FINANCE, INSURANCE, & REAL ESTATE	69,600	68,800	66,700	800	2,900
BANKING & CREDIT AGENCIES	23,500	23,300	23,600	200	- 100
OTHER FINANCE, INSURANCE, & REAL ESTATE	46,100	45,500	43,100	600	3,000
SERVICES	211,000	211,300	206,500	- 300	4,500
HOTELS & PERSONAL SERVICES	24,500	24,700	24,400	- 200	100
HEALTH SERVICES	69,500	69,300	67,900	200	1,600
OTHER SERVICES	117,000	117,300	114,200	- 300	2,800
GOVERNMENT	179,400	205,200	178,200	- 25,800	1,200
FEDERAL GOVERNMENT	32,000	31,600	30,200	400	1,800
STATE GOVERNMENT	52,200	56,900	51,100	- 4,700	1,100
EDUCATION	18,400	23,300	17,900	- 4,900	500
OTHER STATE	33,800	33,600	33,200	200	600
LOCAL GOVERNMENT	95,200	116,700	96,900	- 21,500	- 1,700
EDUCATION	51,200	73,800	54,100	- 22,600	- 2,900
OTHER LOCAL	44,000	42,900	42,800	1,100	1,200
LABOR-MANAGEMENT DISPUTES	0	0	200	0	- 200

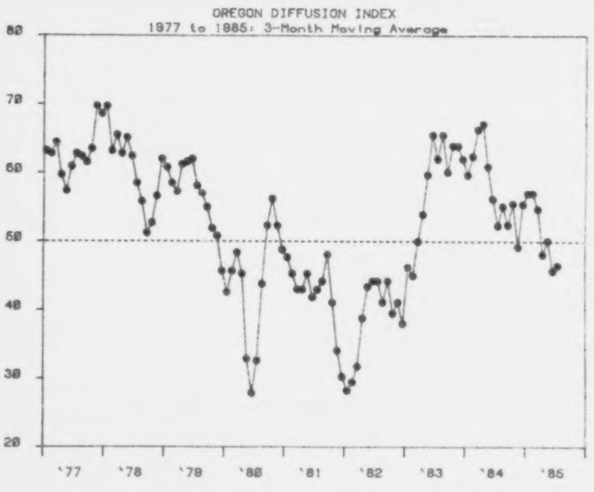
1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.



The other big decline in July came in manufacturing, where transportation equipment fell 1,300 and primary metals lost 300. Although the figures appear worse for transportation equipment, there are different factors hurting the two industries. In primary metals, problems in part beyond the control of the manufacturers, such as higher production costs or relatively low prices for finished products, have led to layoffs a and push for improved efficiency or plant modernization. Implementing solutions takes time, however, so there may not be an immediate turnaround. In transportation equipment, the layoff problem has arisen because of a lack of orders or contracts. This has reduced shipbuilding and repair employment to its lowest level in more than 10 years. Although the July situation was poor, it could improve more quickly than in primary metals, as new ship repair contracts are won and as temporary layoffs in other areas of transportation equipment manufacturing end.

The first improvement in 1985 for lumber and wood products took place in July when seasonally adjusted employment rose 600, led by millwork and structural wood at 9,000 employees (a new high). Millwork includes doors, paneling, frames, wood floors, and wood cabinets, and structural wood refers to trusses and arches. The millwork/structural wood sector has recently fared much better than the forest products industry in general because of large markets (including both new building construction and remodeling), less competition, and the high quality of products which are made in Oregon (see Oregon Labor Trends, August 1984).

Other good news in July was the substantial job gains over the past year in trade, services, and canning and preserving. The 4,000 annual increase in the canning sector was mostly due to last year's weather-delayed food processing season.

Oregon's recovery has been on hold since February. This pause allows us to take a look at where we are and how far we've come since the last recession so that monthly and annual changes can be put into proper perspective. For instance, total wage and salary employment peaked at 1,088,000 in September 1979, dropped to a low of 929,700 in January 1983, and rebounded to 1,036,800 in June 1985 before dropping again in July to 1,016,700. In this respect, the economic recovery has been incomplete - a fact underscored by July's 9.5% jobless rate. If we lapse into another recession in 1985-1986, it will be from an unusually high level of unemployment.

The scenario is different in various industries. The recession/recovery experiences of selected industries can be subjectively divided into four categories relating to employment, as seen in the accompanying table:

Recovering, but a long way to go

lumber & wood products
furniture & fixtures
stone, clay, glass, & concrete products
primary metals
fabricated metals
machinery
transportation equipment
instruments and related products
food & kindred products
paper & allied products
chemicals & allied prod.
petroleum refining
construction
transp., comm., & util.
state government
local government

Mostly Recovered

trade
finance, insurance, & R.E.
federal government

Little Recession, or more than fully recovered

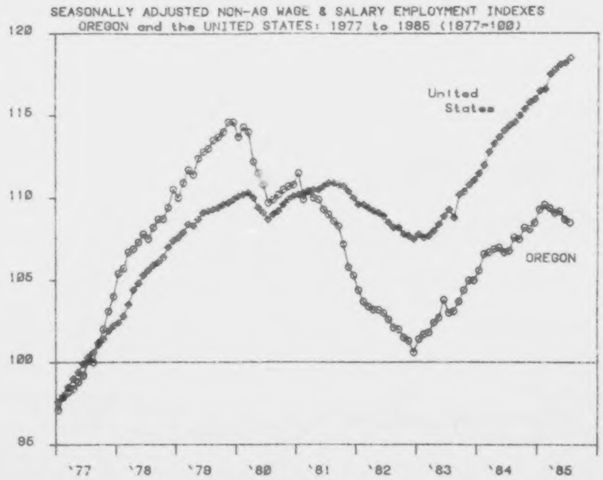
electrical equip./supplies
misc. manufacturing
printing & publishing
rubber & plastic products
leather products
services

Still Declining

textile mill products
apparel
mining & quarrying

In the "still declining" category, textiles and apparel are suffering from strong overseas competition. Textiles employed 3,200 workers in 1947, 2,500 in 1972, and only 1,600 in July of this year.

Most industries appear in the "recovering, but a long way to go" category. Leading the pack is lumber and wood, which peaked at 96,300 in August 1952 when a now unbelievable 77,700 people worked in logging and sawmills. Industrial classifications



have undergone some changes since then, so current data is not strictly comparable, but the prerecession peak was August 1978's total of 85,100. It tumbled to 51,700 in January 1982 and has come up to the 62,000-67,000 range in 1985. Except for the millwork area discussed earlier, further recovery is doubtful in the near future. Construction numbers tell a similar tale. The 1979 annual average employment was 53,000; 1983 annual average employment was 27,000. The figure has come up to 35,100 this July, and prospects for construction look somewhat brighter than for lumber and wood.

In the "mostly recovered" category, federal government shows up reflecting the good health of the national economy, whereas state and local government remain on the "recovering, but a long way to go" list because of Oregon's struggling economy.

Half of the "little recession, or more than fully recovered" category consists of smaller industries: miscellaneous manufacturing, rubber and plastic products, and leather products. Electrical equipment and supplies expanded during the last recession, but 1985 has been a rocky year for this industry. Printing and publishing saw only a mild recession from 1980 to 1982, and has expanded to new heights in 1985 due to growth of printed advertising and other materials during this "information age". Services peaked at 192,100 in 1981, declined slightly in 1982 to 188,600, and has more than recovered to over 200,000 in 1985. Rapid expansion in services has been due primarily to business services, which gained 2,500 jobs in 1983, 6,000 in 1984, and looks like it will gain some 5,000 more in 1985. Increasing tourist activity has led to healthy growth in amusements. Health services have also grown by 1,000-2,000 per year for a few years.

Each month's employment statistics are usually called "bright" or "disappointing" based upon how they compare with the prior month. The intent of the preceding analysis is to provide a more complete picture of our situation.□

HUMAN RESOURCES & ECONOMIC DEVELOPMENT STRATEGIES

Tom Lynch

Supply and demand markets exist for commodities and most anything of value. Labor markets are no exception, yet this simple fact escapes many decision-makers. At the state and local levels, employers look at labor supply markets to find the workers with the appropriate skills they need at a particular time. Schools, employment and training organizations, job placement agencies and others in the training business watch labor demand markets with hopes of placing their clients or graduates. Since these demand/supply markets are very complex, improvements can be made in their operation only if a close working relationship can be established between the employer community and the various supply institutions.

It is important for state and regional economic development that a logical plan be developed for the preparation and placement of individuals in jobs. This movement was started during the last two years with strong working relationships forged between private sector employers, the Oregon Employment Division, State Job Training Council and the Oregon Board of Education. The road to these strong relationships was filled with "chuck holes" for all of the organizations involved in the economic development process. Some of the major obstacles that had to be overcome were a weak Oregon economy, reduced budgets, turf issues and image problems between public and private sector institutions. The road map laid out to solve these problems included the following: joint planning between organizations at the state and local levels; development, sharing and use of common data systems; and improving services and communication between the public and private sector organizations. The initial steps taken by these organizations in 1984 and early 1985 have brought significant improvements in the following areas:

-assisting major new employers to identify adequate supplies of workers by occupational skill in local labor markets;

-identifying unemployed worker populations who would benefit from retraining and employment opportunities generated by these new firms;

-identifying state and local resources which could assist local employers in obtaining a trained workforce;

-gaining a better understanding of the roles played by public and private sector organizations in the training and placement of individuals.

The question for these organizations at this point is how to solidify and strengthen the relationships established during the previous two years. This process has already started under the sponsorship of the State Job Training Council, Oregon Employment Division, Economic Development Department and the Oregon Department of Education. Under a grant received from the National Alliance of Business, these organizations are to expand upon Oregon's past efforts to link economic development and job training and placement activities. A preliminary meeting was held in late July which focused on the following agenda:

-improve the participants' understanding of economic development and employment and training programs, resources, and activities and the ways in which they can be linked productively;

-identify opportunities for increased job creation for Oregonians through more effective combinations of economic development and employment and training resources;

-establish basic mechanisms and procedures for on-going coordination among these and other agencies.

The need for the approach outlined above is necessary if the optimum mix of training programs, placement activities and economic development efforts is to be achieved. Resources are limited and must be allocated in a systematic and reasonable manner if economic growth and development are to take place in Oregon.□

HOURS & EARNINGS

Mike Staten

Average hourly earnings for Oregon's manufacturing industries rose sharply in June to $10.66 from May's level of $10.50. The gain was consistent with the same period last year and was located principally in the logging and sawmills and primary metals industries. A 70% increase in the amount of overtime worked in logging and sawmills was the leading cause of the $.54 per hour gain in June. Due to the uncertainty of lumber and wood products markets, there was a marked tendency by employers to work existing employees longer hours rather than add new staff. This was evidenced by the failure of "normal" employment levels in logging and sawmill operations, with a net result of nearly 1,000 fewer employees than expected.

Overtime hours were also a factor in the increased earnings displayed by the primary metals industry in June. A second factor was a layoff in iron foundries, which boosted the proportion of higher paid employees.

The construction industry lengthened its average workweek in June by 1.3 hours with a moderate gain also in the number of construction workers. Hourly earnings, however, remained stable with only a slight $.06 increase.

Activity on the trade front in June showed a $.51 per hour increase over May for wholesale trade, principally the result of gains in commissions paid in the durable goods section of the industry. There was virtually no change in retail trade between the two months.

Although we have mentioned it before, it is worth repeating that strict comparisons of average hourly earnings, by themselves, can be misleading and promote incorrect assumptions. A rise in average earnings, for example, could be the result of severe employment reductions rather than a reflection of true gains. Likewise, a drop may not necessarily indicate a worsening economic situation, but may reflect a large employment increase.

It is important to keep these concepts in mind when comparing June's performance to that of May. While there were increases in average earnings and the number of production workers, the employment gains were weaker than expected for this particular time of year.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June 2/ 1985	May 3/ 1985	June 1984	June 2/ 1985	May 3/ 1985	June 1984	June 2/ 1985	May 3/ 1985	June 1984
TOTAL MANUFACTURING 4/	$421.07	$407.40	$411.67	39.5	38.8	38.8	$10.66	$10.50	$10.61
Durable Goods	439.43	417.64	425.58	40.5	39.4	39.7	10.85	10.60	10.72
Lumber & Wood Products	468.76	440.50	446.29	41.3	39.9	39.6	11.35	11.04	11.27
Logging & Sawmills	504.71	470.80	474.38	41.0	40.0	39.4	12.31	11.77	12.04
Veneer & Plywood	464.20	439.10	450.64	42.2	40.1	40.2	11.00	10.95	11.21
Millwork & Struct Wood	363.44	349.76	347.21	41.3	39.7	39.1	8.80	8.81	8.88
Mobile Homes	314.27	323.84	289.22	36.8	36.8	35.1	8.54	8.80	8.24
Other Wood Products	454.37	422.40	455.67	41.8	40.0	41.2	10.87	10.56	11.06
Furniture & Fixtures	305.74	273.00	296.38	38.8	35.5	36.5	7.88	7.69	8.12
Primary Metals	513.28	493.74	507.21	41.9	42.2	43.5	12.25	11.70	11.66
Fabricated Metals	386.71	394.02	383.90	39.3	39.8	38.7	9.84	9.90	9.92
Machinery	426.13	402.60	415.74	39.9	38.6	40.6	10.68	10.43	10.24
Nondurable Goods	369.66	376.66	372.44	36.6	37.0	36.3	10.10	10.18	10.26
Food & Kindred Products	305.55	327.77	304.72	35.0	36.5	34.2	8.73	8.98	8.91
Canning & Preserving	238.96	267.11	241.80	32.6	34.6	31.2	7.33	7.72	7.75
Other Food Products	413.51	408.33	399.38	38.9	39.0	38.7	10.63	10.47	10.32
Textile Mill Products	215.40	233.00	222.09	34.3	37.4	37.9	6.28	6.23	5.86
Apparel	208.68	209.59	210.19	37.0	36.9	37.4	5.64	5.68	5.62
Paper & Allied Products	575.91	578.53	562.88	40.5	40.4	40.7	14.22	14.32	13.83
Printing & Publishing	377.57	361.97	396.29	34.2	33.3	34.4	11.04	10.87	11.52
Construction 4/	502.32	482.27	507.04	36.4	35.1	34.8	13.80	13.74	14.57
Communications & Utilities 5/	515.83	496.04	485.20	41.7	40.1	40.4	12.37	12.37	12.01
Trade 5/	300.81	288.77	293.42	34.3	33.5	34.0	8.77	8.62	8.63
Wholesale Trade	424.24	391.89	391.72	39.1	37.9	37.2	10.85	10.34	10.53
Retail Trade	242.24	238.51	245.27	32.0	31.3	32.4	7.57	7.62	7.57
Banking & Insurance	282.82	281.36	266.33						
State & Local Government	322.35	322.50	317.44						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYERS CORNER –
1935-1985 • FIVE DECADES OF INSURING THE AMERICAN DREAM

Dorothy Monnier

In the last two of the Employer's Corner articles, we looked at possible alternatives of paying unemployment insurance. We will now concentrate first on the past and then the present as we celebrate the 50th anniversary of the Unemployment Insurance (UI) system.

Unemployment insurance first appeared as part of the Social Security system in 1935. The concept of helping the unemployed during depressed economic times can be traced throughout the history of the western world. One of the earliest mentions of assistance to the unemployed was in ancient Rome, where in the second century B.C., the Gracchi,a family of nobles, gave returning unemployed soldiers small pieces of land and paid them money for building roads.

During the 1870s, unemployment programs began to appear in Europe, most notably in Bismark's Germany. At the end of the 19th century, unemployment insurance plans appeared in this country. They were generally of three kinds: trade union plans, which grew out of the union tradition of helping unemployed members; union-employer negotiated plans; and employer-initiated plans. There was much talk that something more should be done for the many who weren't part of a plan. In the 1930s, when many of the voluntary plans began to collapse from the weight of unemployment in the Great Depression, the nation was finally moved to do something about the unemployed.

In the vigorous dialogue among scholars, politicians, labor and business leaders that attended the formulation of the Unemployment Insurance system, there was much debate about who should get benefits, what eligibility requirements should be imposed, and how much claimants should receive. There was concern that the program not be perceived as a relief program, but rather as an insurance program offering temporary help to those who were firmly attached to the labor force, and through no fault of their own had become unemployed. The intent of unemployment insurance was as much to maintain the economic stability of communities as it was to provide an income for unemployed workers.

All state UI laws measure entitlement to benefits by each person's work experience during a period prior to becoming unemployed. These prior periods, also called base periods, vary from state to state with regard to qualifying requirements. Some states determine eligibility by "high quarter" wages. Others, like Oregon, base monetary eligibility on a combination of base year wages and weeks of work. The amount of work may vary from 14 weeks in Hawaii to 20 weeks in many other states. Some states require earnings in more than one quarter, or total earnings equal to 30 or 40 times the weekly benefit amount.

All states have a minimum earnings requirement in the base period in order for a worker to be eligible for benefits. Originally the minimum ranged from $100-$300. Now, except for Hawaii, it ranges from $300 in Lousisiana to $3,000 in Oklahoma. Oregon's minimum is $1,000. The purpose of the minimum earnings requirement is to ensure "substantial" attachment to the workforce. It is clear that states differ greatly in their definition of "substantial."

Initially, all states required a waiting period before claimants could receive UI benefits. Today 10 states have no waiting period for total unemployment, and no state has more than a one week period (Oregon's waiting period is one week). Six states pay benefits for the waiting week under certain conditions, and one is planning to repeal the waiting week.

Though all states require that workers demonstrate their attachment to the work force by having wages or weeks of work in the base period, all set other requirements for benefit eligibility. Initially, federal law did not address eligibility and disqualification provisions in the Unemployment Insurance System, except to state three conditions under which compensation could not be denied for refusing a job:

> "If the position offered is vacant due directly to a strike, lockout or other labor dispute;
>
> 'if the wages, hours or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;
>
> 'if as a condition of being employed, the individual would be required to join a company union or to resign from, or refrain from, joining any bona fide labor organization."

These provisions addressed what states could not establish as eligibility requirements rather than what was required of workers to become eligible. Most states, however, list certain criteria by which the suitability of work is to be tested. The usual criteria include the degree of risk to health, safety and morals; the individual's physical fitness and prior training, experience and earnings; length of unemployment and prospects of securing local work; and the distance of the work from the claimant's residence.

From the beginning, all states have required that workers be able and available for work. Most accept registration for work at a Job Service office as evidence that claimants meet these criteria. State provisions vary widely concerning other measures of availability for work. The most prevalent reasons for disqualifications include voluntarily quitting a job, discharge for misconduct, refusal of suitable work, involvement in a labor dispute, fraudulent misrepresentation to obtain benefits and receipt of disqualifying income.

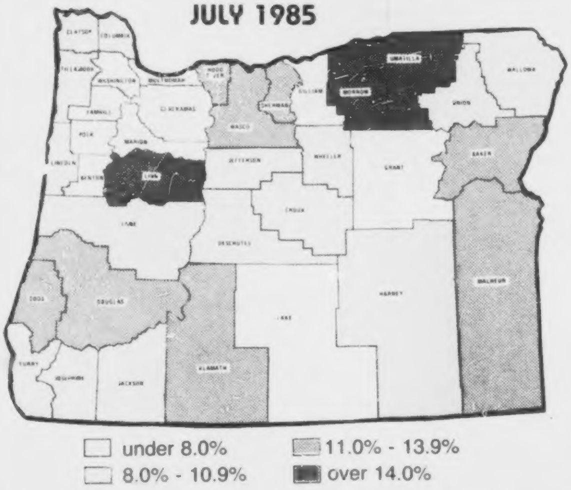
Disqualifications exist basically to prevent payment to workers who could otherwise be working. The UI system was put in place to assist workers who are temporarily unemployed due to no fault of their own, and most states have attempted to adhere to this philosophy.

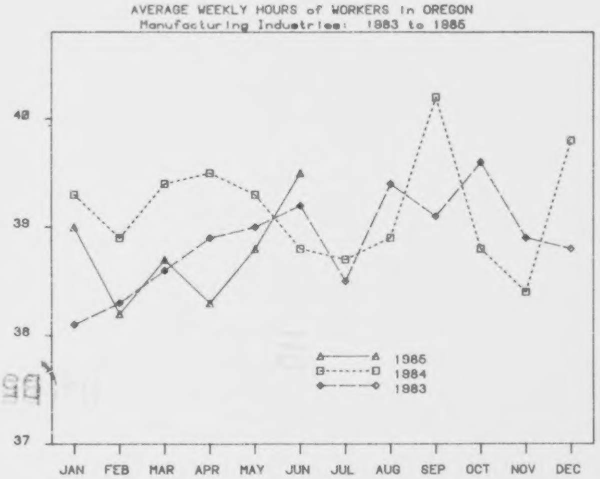
Some states disqualify claimants for a specific period of time which can vary according to the reason for disqualification. These disqualifications range from 1 to 52 weeks depending on the severity of the violation. Most states disqualify for the remainder of the period of unemployment plus have a requalification requirement. This means that the disqualified worker must get another job, must work a specific number of weeks, and then must be legitimately laid off from the job to overcome the disqualification and again be eligible for benefits. The theory is that after sufficient time, the reason for the disqualification is no longer the cause of unemployment.

Like eligibility provisions, formulas for computing benefit amounts vary considerably among states. They do, however, reflect common themes that grew out of early thinking on unemployment insurance.

In early studies, it was thought that the wage replacement rate should be appreciably less than what the worker earned, so that there would be an incentive to return to work. It should replace only nondeferrable expenses, thought to be food, rent, utilities and medical expenses. Since then, some have added expenses such as transportation costs, an essential in finding a job.

Clearly, the concept of unemployment insurance has undergone many transformations over the past fifty years. The only thing we can say with certainty is that UI, as all other things, will continue to evolve. Oregon will "insure the American dream" by staying abreast of program developments and operating an efficient system.□


STATE OF OREGON
Unemployment Rates by Area
JULY 1985
Clatsop
Columbia
Tillamook
Washington
Multnomah
Hood River
Wasco
Sherman
Gilliam
Umatilla
Morrow
Union
Wallowa
Yamhill
Clackamas
Polk
Marion
Lincoln
Benton
Linn
Jefferson
Wheeler
Grant
Baker
Crook
Lane
Deschutes
Coos
Douglas
Harney
Malheur
Lake
Klamath
Curry
Josephine
Jackson
☐ under 8.0%
☐ 8.0% - 10.9%
▨ 11.0% - 13.9%
■ over 14.0%


AVERAGE WEEKLY HOURS of WORKERS in OREGON
Manufacturing Industries: 1983 to 1985

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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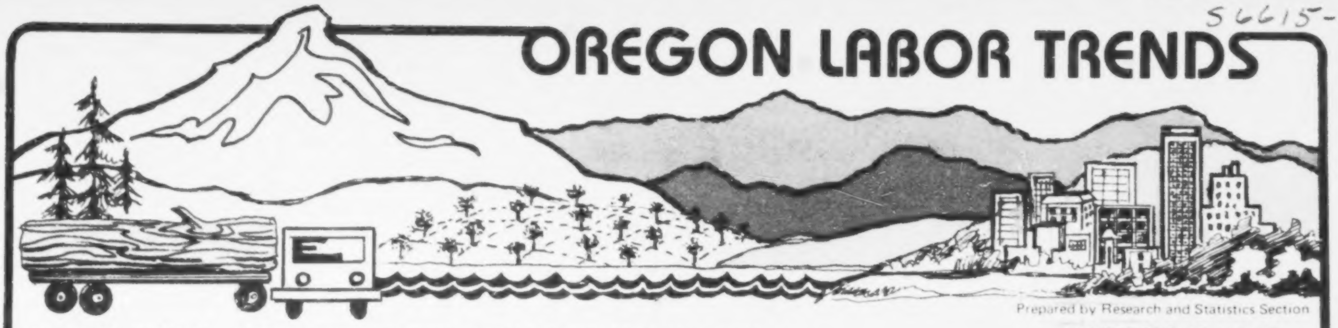


Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

SEPTEMBER 1985

AUGUST INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj.)
Aug.	1985	8.4
July	1985	9.5
Aug.	1984	9.1
U.S.		
Aug.	1985	7.0
July	1985	7.3
Aug.	1984	7.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon		1977=100
Aug.	1985	109.5
July	1985	108.8
June	1985	108.7
May	1985	109.2
Apr.	1985	109.1

DIFFUSION INDEX

Oregon		
Aug.	1985	47.3
July	1985	45.3
June	1985	45.7
May	1985	50.4
Apr.	1985	48.1

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
July	1985	37.6
June	1985	39.3
July	1984	38.7

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland MSA	
July 1985	312.9
Yearly Change	+ 4.0%
U.S.	
Aug. 1985	323.5
Yearly Change	+ 3.4

Portland Hotline 221-4132

JOBLESS RATE – DOWN AGAIN

Earl Fairbanks

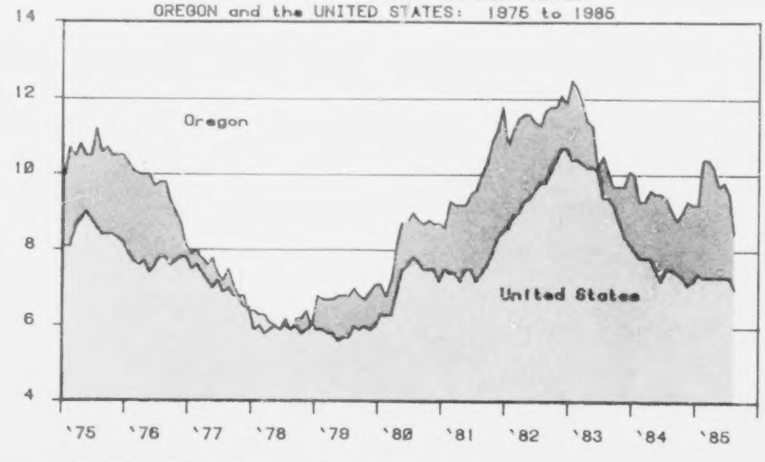
Oregon's unemployment rate nose-dived in August to its lowest level since April 1980. The surprising plunge in the August rate brought state unemployment down to 102,800, which is 16,600 less than July's jobless estimate. Strong performances in most industry sectors combined with some temporary stimulus from ship building/repair and auto sales reduced the seasonally adjusted unemployment rate from 9.5% in July to 8.4% in August.

Both the diffusion index and nonfarm employment index confirmed the unemployment rate's positive move. An increase of 2.0 in the diffusion index to 47.3 indicated that more industries were experiencing larger than seasonally expected increases. The employment index rose 0.7 to 109.5. Translated into persons this means that the 11,000 increase in payroll workers was about 6,300 more than expected on a seasonally adjusted basis.

But questions remain about the strength of August's showing and whether it can be sustained. Many analysts, while pleased with the August performance, remain cautious about the future. There are persistent problems facing Oregon's economy that indicate the lower unemployment rate may not last.

A major concern facing Oregon is the economic plight of many lumber and wood products firms. If this industry cannot regain its financial health there will be more mill closures. Fatal wounds will be inflicted upon some of the weaker companies by

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



* Civilian labor force only

RESIDENT OREGON LABOR FORCE

	AUG. 1985 1/	JUL. 1985 2/	CHANGE	% CHANGE	AUG. 1984 5/
CIVILIAN LABOR FORCE 3/	1,333,500	1,327,800	5,700	0.4	1,334,500
UNEMPLOYMENT	102,800	119,400	- 16,600	- 13.9	111,500
PERCENT OF LABOR FORCE	7.7	9.0	XXX	XXX	8.4
SEASONALLY ADJUSTED PERCENT	8.4	9.5	XXX	XXX	9.1
TOTAL EMPLOYMENT 4/	1,230,700	1,208,400	22,300	1.8	1,223,000

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	AUG. 1985 1/	JUL. 1985 2/	AUG. 1984	JUL. 1985	AUG. 1984
TOTAL 3/	1,029,800	1,018,800	1,011,500	11,000	18,300
WAGE & SALARY EMPLOYMENT INDEX 4/	109.5	108.8	107.6	XXX	XXX
DIFFUSION INDEX 5/	47.3	45.3	55.1	XXX	XXX
TOTAL MANUFACTURING	208,200	201,200	210,000	7,000	- 1,800
DURABLE GOODS	147,500	145,000	151,400	2,500	- 3,900
LUMBER & WOOD PRODUCTS	67,400	66,200	69,100	1,200	- 1,700
LOGGING & SAWMILLS	36,000	35,700	37,700	300	- 1,700
VENEER & PLYWOOD	16,600	16,300	17,000	300	- 400
MILLWORK & STRUCTURAL WOOD	9,200	8,700	8,500	500	700
MOBILE HOMES	1,500	1,400	1,800	100	- 300
OTHER WOOD PRODUCTS	4,100	4,100	4,100	0	0
FURNITURE AND FIXTURES	2,600	2,600	2,600	0	0
STONE, CLAY, GLASS & CONCRETE	2,700	2,700	2,900	0	- 200
PRIMARY METALS	8,800	8,800	9,300	0	- 500
BLAST FURNACES, IRON & STEEL	5,600	5,500	5,400	100	200
NONFERROUS METALS	3,200	3,300	3,900	- 100	- 700
FABRICATED METALS	10,600	10,500	10,600	100	0
FABRICATED STRUCTURAL METALS	5,300	5,200	5,100	100	200
OTHER FABRICATED METALS	5,300	5,300	5,500	0	- 200
MACHINERY	15,500	15,600	15,800	- 100	- 300
ELECTRICAL EQUIPMENT & SUPPLIES	14,200	14,200	14,600	0	- 400
TRANSPORTATION EQUIPMENT	8,200	6,800	9,200	1,400	- 1,000
INSTRUMENTS & RELATED PRODUCTS	14,300	14,400	14,500	- 100	- 200
MISCELLANEOUS MANUFACTURING	3,200	3,200	2,800	0	400
NONDURABLE GOODS	60,700	56,200	58,600	4,500	2,100
FOOD & KINDRED PRODUCTS	30,300	26,000	27,900	4,300	2,400
CANNING & PRESERVING	19,900	15,500	17,100	4,400	2,800
OTHER FOOD PRODUCTS	10,400	10,500	10,800	- 100	- 400
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,400	2,300	2,800	100	- 400
PAPER & ALLIED PRODUCTS	9,500	9,500	9,200	0	300
PRINTING & PUBLISHING	11,100	11,000	11,000	100	100
CHEMICALS & ALLIED PRODUCTS	2,200	2,100	2,100	100	100
PETROLEUM REFINING	500	500	600	0	- 100
RUBBER & PLASTIC PRODUCTS	2,700	2,800	2,900	- 100	- 200
LEATHER PRODUCTS	400	400	500	0	- 100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	AUG. 1985	JUL. 1985	AUG. 1984	CHANGE FROM JUL. 1985	
					AUG. 1984
(CONT.)					
TOTAL NONMANUFACTURING	821,600	817,600	801,500	4,000	20,100
MINING & QUARRYING	1,700	1,600	1,800	100	- 100
CONSTRUCTION	35,500	34,700	34,600	800	900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	55,300	55,200	56,600	100	- 1,300
TRANSPORTATION	33,000	32,800	34,000	200	- 1,000
RAILROAD	5,000	5,100	5,400	- 100	- 400
TRUCKING & WAREHOUSING	18,100	17,800	18,300	300	- 200
OTHER TRANSPORTATION	9,900	9,900	10,300	0	- 400
COMMUNICATIONS	13,500	13,600	13,800	- 100	- 300
UTILITIES	8,800	8,800	8,800	0	0
TRADE	266,000	262,500	256,900	3,500	9,100
WHOLESALE TRADE	67,200	66,600	65,200	600	2,000
DURABLE GOODS	39,600	39,400	38,600	200	1,000
NONDURABLE GOODS	27,600	27,200	26,600	400	1,000
RETAIL TRADE	198,800	195,900	191,700	2,900	7,100
GENERAL MERCHANDISE	23,300	23,100	24,600	200	- 1,300
FOOD STORES	31,600	31,400	28,600	200	3,000
AUTO DEALERS & SERVICE STATIONS	26,400	25,800	25,000	600	1,400
OTHER RETAIL TRADE	117,500	115,600	113,500	1,900	4,000
FINANCE, INSURANCE, & REAL ESTATE	69,900	69,500	66,900	400	3,000
BANKING & CREDIT AGENCIES	23,600	23,500	23,700	100	- 100
OTHER FINANCE, INSURANCE, & REAL ESTATE	46,300	46,000	43,200	300	3,100
SERVICES	212,400	212,500	208,100	- 100	4,300
HOTELS & PERSONAL SERVICES	25,000	24,800	24,400	200	600
HEALTH SERVICES	70,300	70,000	68,400	300	1,900
OTHER SERVICES	117,100	117,700	115,300	- 600	1,800
GOVERNMENT	180,800	181,600	176,600	- 800	4,200
FEDERAL GOVERNMENT	31,900	32,000	30,200	- 100	1,700
STATE GOVERNMENT	52,000	52,500	50,800	- 500	1,200
EDUCATION	18,300	18,600	17,700	- 300	600
OTHER STATE	33,700	33,900	33,100	- 200	600
LOCAL GOVERNMENT	96,900	97,100	95,600	- 200	1,300
EDUCATION	53,200	53,600	53,200	- 400	0
OTHER LOCAL	43,700	43,500	42,400	200	1,300
LABOR-MANAGEMENT DISPUTES	200	0	700	200	- 500

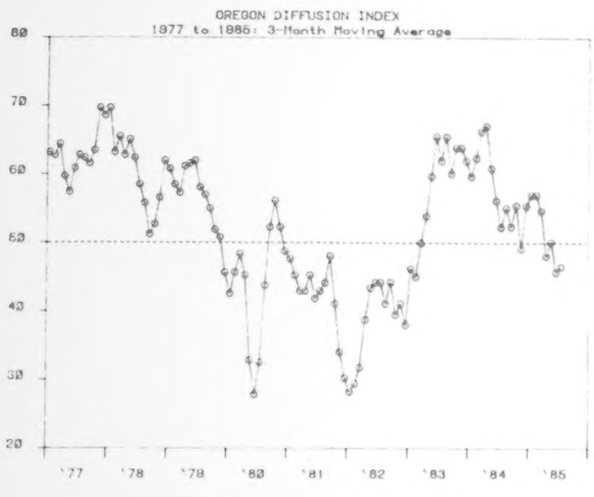
1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.



competition from Canada, Southern U.S. plywood producers, lower priced substitute products, and other problems facing the industry in Oregon and the Northwest.

High technology industries and economic diversification are important, but forest products are still the foundation of most of Oregon's communities. In 1984, lumber and wood products accounted for 33% of manufacturing employment, triple the runner-up, food products, with 11%. In addition, average weekly earnings of lumber products workers were nearly 50% higher than for food processing employees in 1984.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
Selected Industries

	August 1985	August 1979	Change	
			#	%
Total	1,029,800	1,072,800	-43,000	- 4.0
Mfg.	208,200	243,600	-35,400	-14.5
L & W Prod.	67,400	85,000	-17,600	-20.7
Prim. Metals	8,800	11,300	- 2,500	-22.1
Fab. Metals	10,600	13,900	- 3,300	-23.7
Machinery	15,500	17,900	- 2,400	-13.4
Elec. Equip.	14,200	8,900	5,300	59.6
Instruments	14,300	18,900	- 4,600	-24.3
Food Prod.	30,300	32,100	- 1,800	- 5.6
Paper	9,500	10,700	- 1,200	-11.2
Printing	11,100	10,100	1,000	9.9
Nonmfg.	821,600	829,200	- 7,600	- 0.9
Constr.	35,500	59,300	-23,800	-40.1
Transp.	33,000	37,200	- 4,200	-11.3
Comm.	13,500	16,100	- 2,600	-16.1
Whlsl. Trade	67,200	68,600	- 1,400	- 2.0
Retail Trade	198,800	191,100	7,700	4.0
F.I.R.E.	69,900	71,500	- 1,600	- 2.2
Health Svcs.	70,300	60,300	10,000	16.6
Business Svcs.	37,600	24,600	13,000	52.8
Other Svcs.	104,500	102,800	1,700	1.7
Federal Gov.	31,900	32,200	- 300	- 0.9
State Gov.	52,000	52,700	- 700	- 1.3
Local Gov.	96,900	101,600	- 4,700	- 4.6

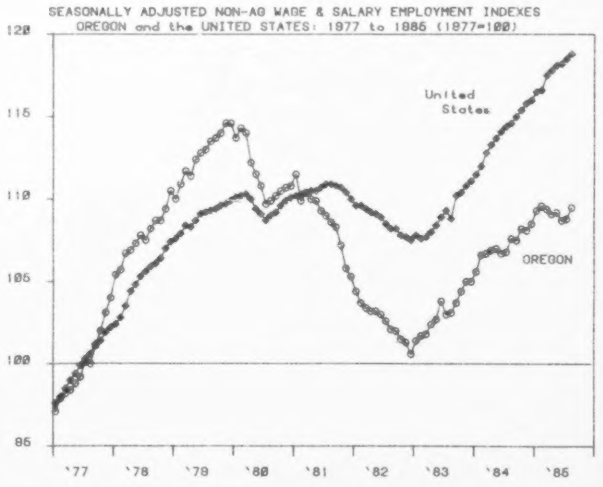
Employment during August of lumber and wood products workers was 1,200 above July, 1,700 below a year ago, and a whopping 17,600 below August 1979. But few manufacturing sectors have regained all the ground lost in the early 1980s. Total manufacturing was down 35,400 (-14.5%) since August 1979. Nonmanufacturing fared better with a decrease of "only" 7,600 (-0.9%) workers.

All other durable goods manufacturing combined, (except lumber & wood products) picked up 1,300 jobs over the month, 1,000 more than seasonally expected. Even though two recent Navy contracts for Portland ship repair yards added several hundred workers, transportation equipment employment was still down 1,000 from last year and 4,700 below August 1979. Although electrical equipment remained unchanged in August and dropped 400 since last year, it was 5,300 higher than the same month in 1979. Printing was the only other manufacturing sector to record a gain (+1,000) since 1979.

All of the August improvement in food and kindred products was in canning & preserving. The 4,300 jump was still 100 fewer than seasonally expected. Food products employment is in a long-term downward trend. Increased productivity per worker coupled with strong midwestern competition helped cause the 1,800 drop since August 1979.

The construction industry gained 800 workers in August but a 1,000 gain was expected based on seasonal trends. Helped along by lower mortgage rates, construction has fared well when compared with August 1984 (+900) but very poorly since August 1979 (-23,800). This industry took the brunt of the economic problems of the early 1980s and has never really recovered.

Two current national trends had an impact on Oregon's trade employment in August. Increased sales of new and existing homes pushed retail employment in building materials and garden supplies up 100 and home furnishings up 300. Lower interest rates for car loans helped employment in the wholesale and retail motor vehicle trade sectors top seasonal expectations by 400. Retail trade has been one of the few sectors showing growth since 1979 (+7,700).



Services, Oregon's growth industry of the 1970s, is still feeling its oats so far in the 1980s. Although employment remained steady over the month, services reported a noteworthy 4,300 increase over-the-year and a blue ribbon 24,700 rise since August 1979. The robust business services sector (+52.8%) nearly ties with the highly visible electronic equipment manufacturing industry (+59.6%) for the highest 1979-85 growth rate while the health services sector trails in a distant third place (16.6%). Business services includes those establishments primarily engaged in rendering services to businesses, such as advertising, mailing, temporary help, maintenance, consulting, protection, equipment rental and others not elsewhere classified.

Government employment dropped 800 in August, but the decline was 1,500 fewer than seasonally expected. The summer job loss from school districts seemed to have taken place before the July survey week this year. Much of the month-to-month change in government is due to seasonal trends, especially during the summer months. But throughout the year, government employment is very fluid. Different seasons demand varying employment patterns whether it be for snow removal from streets and roads in the winter, road maintenance and construction in the summer, fire fighting in the summer and fall, or school operations during the school year, to name a few.

The largest gain in state government over the year was at Fairview Hospital and Training Center in Salem. Federally mandated staffing requirements have boosted the number of workers so far by nearly 500. The State Highway Division has added almost 100 workers due to stepped up road maintenance and construction financed by new state and federal gasoline tax revenues.

If September follows historical trends, Oregon's raw unemployment rate will fall slightly to about 7.3%, the number of unemployed will drop to below 100,000 (for the first time since October 1980), and nonfarm wage and salary employment will increase by 17,000 workers. Some of the new jobs will be in retail trade, prompted by back-to-school sales, but 10-12,000 will be in local education as public schools start another school year. □

PROFILE OF BENTON & LINN COUNTIES

Graham Slater

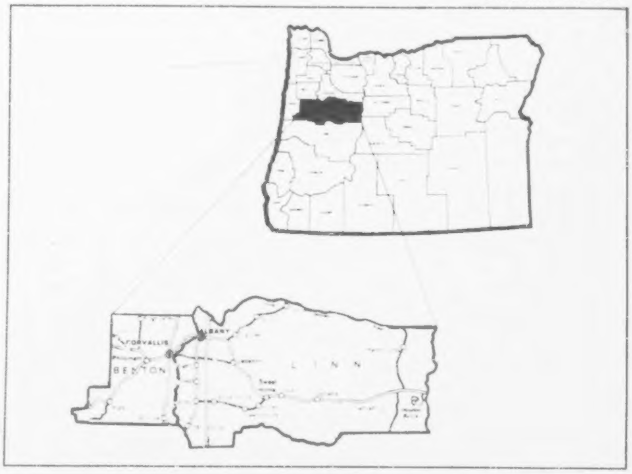
Halfway between Salem and Eugene, situated in the mid-Willamette Valley, Linn and Benton counties cover a fraction under 3,000 square miles. The counties' common border is a 40 mile north-south stretch of the Willamette River. From the river, Benton County extends about 20 miles to the west, while Linn County reaches east as far as Mt. Jefferson, a distance of 70 miles.

Like most of western Oregon, Linn and Benton counties enjoy an abundant supply of water. Several Willamette River tributaries dissect the area while one other river, the Alsea, is itself ocean-going. These rivers provide a natural drainage system for the average annual rainfall of over 40 inches. Along with good soil, this has made the river valley portions of both counties prime agricultural areas.

Timber is another abundant Oregon resource. The western half of Benton County and the eastern two-thirds of Linn County are both heavily forested.

In addition to these natural resources, the Linn-Benton area enjoys excellent accessibility which includes a freeway (I-5), other major highways (99, 34 and 20), Amtrak passenger rail service (running north-south through Albany) and Southern Pacific and Burlington Northern rail freight lines.

Corvallis is the Benton County Seat. Established in 1857, the city is best-known as the home of Oregon State University, which enrolled 15,624 students for the fall term of 1984. Just eleven miles to the northeast, across the county boundary lies Albany, the largest city in Linn County. Smaller than Corvallis, Albany is none the less an important regional economic center situated on major highway and rail networks. It also is a center of learning, home to Linn-Benton Community College, which served 22,515 people in 1983-84.



Linn and Benton counties, like Oregon as a whole, experienced population increases of close to 25% between 1970 and 1980. This trend continued into 1981 but was abruptly interrupted in 1982 when the poor economic climate led to substantial out-migration, resulting in a population loss both statewide and in the two-county area.

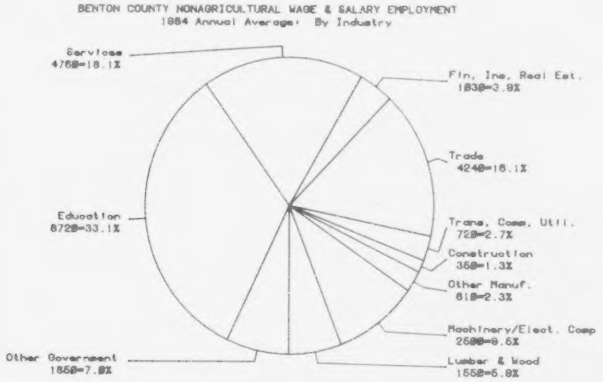
Linn County's population resumed its upward trend in 1983, and reached 89,900 in 1984. However, this falls short of the 1981 peak of 90,300. Benton County, like Oregon, continued to lose population in 1983, but the trend reversed itself in 1984 with an estimate of 68,500. Benton's population peak also came in 1981, with 70,050 residents.

Linn and Benton counties followed the general statewide pattern of deep recession followed by sluggish recovery. However, the two counties possess very different industrial structures and have been affected in quite different ways.

BENTON COUNTY

Benton County relies heavily on the stability provided by Oregon State University. In addition to the jobs it provides, OSU provides the county with a highly educated population, an advantage in attracting 'high-tech' firms, and a ready market for a variety of trade and service establishments. Benton has a much more stable economic base than most Oregon counties, and its unemployment rates are consistently among the lowest in the state. Throughout the '70s, the annual average rate exceeded 6.5% only twice, while employment grew from 19,670 in 1970 to 27,250 in 1979. Significant growth occurred in several industries, including lumber and wood, machinery manufacturing, trade and services.

Unfortunately, this heady growth rate has not continued. Nonfarm wage and salary employment in 1983 was at the same level as in 1979. Lumber and wood products, food processing, construction and government all lost employment during the early '80s. Fortunately, machinery employment increased from 1,490 to 2,500 between 1979 and 1984, due to the continuing growth in 'high-tech' companies. Service employment also continued to grow, adding nearly 600 workers. By 1984, education accounted for 33% of the county's employment, while total manufacturing, trade, and services each accounted for 16-18% of the county's jobs.



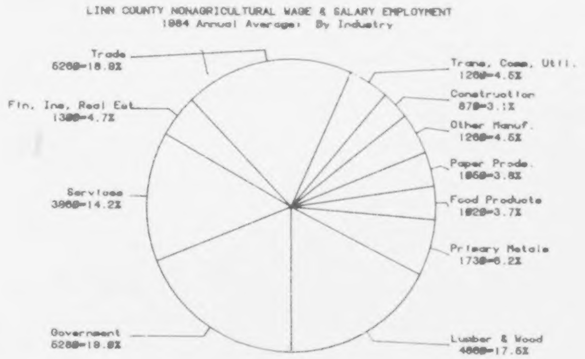
LINN COUNTY

Linn County's job situation is tied much more closely with Oregon's. The county relies heavily on the lumber and wood products industry. Currently, this industry accounts for 46% of the county's manufacturing employment.

Through the '70s, employment in Linn County grew consistently. Lumber and wood products, primary metals, construction, trade, and services all recorded strong job gains.

As the recession hit, employment levels fell considerably and unemployment rates peaked at 18.0%. By the end of 1983, when some measure of recovery had occurred, nonfarm wage and salary employment was still more than 4,000 below 1979 levels.

Annual average employment for 1984 saw lumber and wood products only slightly above 1970 levels and primary metals down 300 compared to 1979. In nonmanufacturing, construction lost more jobs in five recession years than it had gained over the previous 10. Even services employment managed an increase of only 50. Linn County's recession was severe.



By late 1984, most residents of the two-county area had come to accept the dual nature of the area, expecting a gradual recovery which would leave Benton's economy suffering far less than Linn's. Although August unemployment rates in the two counties confirm this disparity (5.1% versus 11.5%), one fact applies equally to both counties in 1985: By year's end, annual average (AA) unemployment rates will be higher than those recorded in both 1984 and 1983. Given that the past two years have supposedly been times of recovery, this is somewhat disturbing.

The following table compares 1985 AA projections with the actual 1984 levels.

BENTON COUNTY	1985	1984
Labor Force	31,920	32,700
Unemployed	2,070	1,850
% of labor force	6.5%	5.7%
Employed	29,850	30,850
Total W & S Emp.	26,230	26,330
Manufacturing	4,400	4,650
Nonmanufacturing	21,830	21,670
LINN COUNTY		
Labor Force	37,680	38,430
Unemployed	5,380	4,990
% of labor force	14.3%	13.0%
Employed	32,300	33,440
Total W & S Emp.	27,410	27,840
Manufacturing	9,510	9,910
Nonmanufacturing	17,900	17,930

Linn County presents a somewhat similar picture. Manufacturing employment will be down, due mostly to losses relating to company closures in lumber and wood products, and food processing. Between these two industries, average employment is likely to fall by at least 500. The only gain expected is 40 primary metals jobs.

continued on page 8

HOURS & EARNINGS

Jason Yohannan

June gains in average hourly earnings of production workers were erased in July as the use of overtime was sharply reduced. In June, manufacturers tended to work current employees overtime instead of hiring new staff to meet additional production needs because of uncertainty about the economy. This one-month surge of high-paying overtime work boosted average hourly earnings markedly. In July, however, the short-term use of overtime ended, dropping the average work week by 1.7 hours and average hourly earnings by $.15. This was especially noticeable in furniture & fixtures (a 68% decline in overtime work) and veneer & plywood (a 28% decline). On the other hand, a 51% increase in overtime work for paper & allied products workers, as evidenced by a workweek which increased from 40.5 in June to 42.1 in July, led to a $.45 average hourly wage boost.

Changing proportions of relatively higher paid or lower paid employees is another major factor in moving the average hourly earnings series. There are two examples of this in the accompanying table. In food & kindred products, 2,800 new canning & preserving production workers came on board in July, meaning that a larger proportion of food & kindred products employment involved lower-paying canning & preserving work (as compared to other food products). An additional factor was that these 2,800 new employees came in at the lower end of the pay scale. The net effect was to reduce average hourly earnings in food products by $.35.

The opposite event occurred in state and local government, where 19,000 aides, cafeteria workers, and other part-time or temporary staff of local school districts and over 5,000 student workers at Oregon community colleges and state universities came off of payrolls. This increased the proportion of higher-paid, full-time/year-round employees, and led to July's large increase of $45.10 in weekly earnings. In both food products and government, these trends should reverse themselves when October data is released.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 2/ 1985	June 3/ 1985	July 1984	July 2/ 1985	June 3/ 1985	July 1984	July 2/ 1985	June 3/ 1985	July 1984
TOTAL MANUFACTURING 4/	$394.42	$418.15	$409.06	37.6	39.3	38.7	$10.49	$10.64	$10.57
Durable Goods	405.08	435.64	421.30	38.0	40.3	39.3	10.66	10.81	10.72
Lumber & Wood Products	416.27	458.37	431.64	37.3	40.6	38.3	11.16	11.29	11.27
Logging & Sawmills	436.54	483.15	470.01	35.9	39.7	39.2	12.16	12.17	11.99
Veneer & Plywood	425.02	466.05	420.24	39.5	42.1	38.1	10.76	11.07	11.03
Millwork & Struct Wood	329.38	363.32	318.99	38.3	41.1	34.9	8.60	8.84	9.14
Mobile Homes	264.80	314.27	286.31	31.3	36.8	35.7	8.46	8.54	8.02
Other Wood Products	453.70	456.60	452.00	41.7	42.2	40.0	10.88	10.82	11.30
Furniture & Fixtures	276.55	305.71	276.72	35.5	38.6	33.3	7.79	7.92	8.31
Primary Metals	509.56	506.15	501.25	40.7	41.9	43.1	12.52	12.08	11.63
Fabricated Metals	407.64	405.21	397.60	40.4	40.4	39.8	10.09	10.03	9.99
Machinery	405.84	430.40	415.31	38.0	40.0	40.4	10.68	10.76	10.28
Nondurable Goods	368.47	371.04	372.05	36.7	36.7	36.8	10.04	10.11	10.11
Food & Kindred Products	296.17	306.77	304.67	35.3	35.1	36.4	8.39	8.74	8.37
Canning & Preserving	236.00	236.84	248.16	33.1	32.4	35.3	7.13	7.31	7.03
Other Food Products	425.73	425.70	396.13	39.9	39.6	38.2	10.67	10.75	10.37
Textile Mill Products	190.01	213.35	198.21	31.2	34.3	32.6	6.09	6.22	6.08
Apparel	214.30	217.14	156.22	38.2	38.5	29.7	5.61	5.64	5.26
Paper & Allied Products	626.45	584.42	574.58	42.1	40.5	41.1	14.88	14.43	13.98
Printing & Publishing	363.77	377.78	408.67	33.1	34.5	34.4	10.99	10.95	11.88
Construction 4/	512.99	499.20	535.39	37.2	36.2	37.0	13.79	13.79	14.47
Communications & Utilities 5/	517.07	515.43	492.08	41.8	41.4	40.5	12.37	12.45	12.15
Trade 5/	290.83	296.67	298.93	33.7	34.1	34.8	8.63	8.70	8.59
Wholesale Trade	397.43	408.19	408.96	37.6	38.4	38.4	10.57	10.63	10.65
Retail Trade	239.89	244.60	245.60	31.9	32.1	33.1	7.52	7.62	7.42
Banking & Insurance	287.39	284.16	273.47						
State & Local Government	365.52	320.42	346.50						

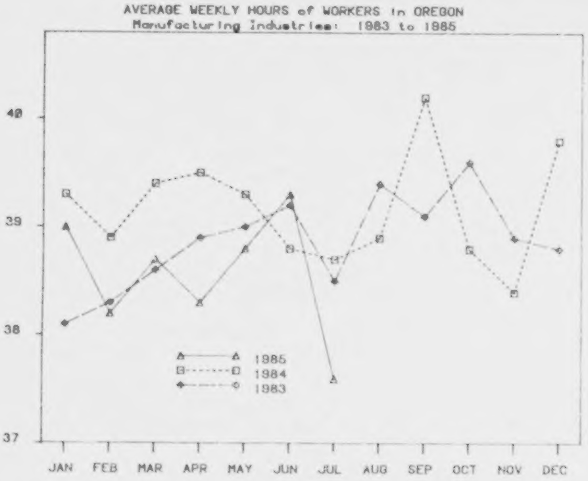
1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

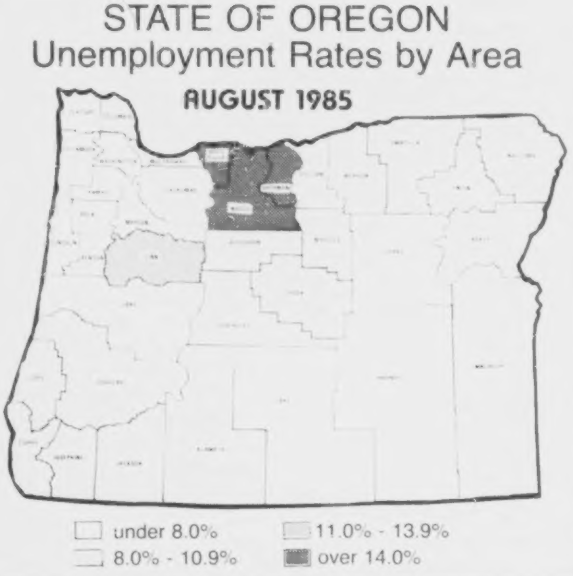
3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.



AVERAGE WEEKLY HOURS of WORKERS in OREGON
Manufacturing Industries: 1983 to 1985



STATE OF OREGON
Unemployment Rates by Area
AUGUST 1985

In nonmanufacturing, only trade, services, and government show notable changes from 1984. Both trade and services are expected to add 40 or 50 jobs, while government employment will probably drop by over 100.

In Benton County, the decrease in manufacturing employment can be attributed mostly to the closures of United Chrome, Neptune Microfloc, and North Side Lumber.

In nonmanufacturing, all industries except services are performing at just about the same levels as last year. Construction, transportation, communications and utilities, finance, insurance and real estate, and government all show slight gains, while trade will probably record a minor loss. Services, the most consistent growth industry, is expected to add 130 jobs over last year's average.

As already mentioned, Corvallis and Albany are the two most populous cities in the area. However, they do not have a monopoly on the economic activity of the area. While Corvallis has lost two major companies in the past 12 months with the loss of about 100 jobs, and Albany has lost one large firm employing up to 300 workers, two smaller cities have also suffered from the ongoing recession. Lebanon (in Linn County, population 10,380) lost close to 800 jobs in a six month period early in 1985, when three wood products firms announced closures. Philomath (in Benton County, population 2,635) lost around 200 jobs when another wood products mill filed under bankruptcy laws.

Perhaps the most important thing to remember, as Benton and Linn counties look toward the future, is that the situation can change overnight. Well over 1,000 job losses were announced within a month of each other early in 1985. The recent opening of a Mervyn's store in Albany created 200 new jobs. Similarly, negotiations involving North Side Lumber in Philomath and the ex-Champion mill in Lebanon could result in the return of 500-700 lumber and wood products jobs. So far, 1985 has not been a time for celebration. Hopefully, what is left of the year, along with 1986, will provide much more positive news in terms of job creation and re-creation. □

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